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Issues Concerning SRV ASEAN Entry Viewed

BK1009021591 Bangkok BANGKOK POST in English 10 Sep 91 p 4

["Afterthought" column by Likhit Thirawekhin]

[Text] An international symposium held in Hanoi recently marked a significant breakthrough in narrowing the gap between Vietnam and the Association of Southeast Asian Nations (ASEAN). The candid exchange of viewpoints served as a healthy discourse on how to develop closer relations between Vietnam and ASEAN.

Bilateral relations between Vietnam and the six ASEAN member countries have been going on unabated since a new diplomatic course has been charted a few years ago. The fact that the symposium was held right after the 7th National Congress of the Communist Party of Vietnam and attended by important figures of both Vietnam and ASEAN, would testify the significance attached to the event.

From Malaysia, a group of businessmen and a delegation headed by the minister of finance arrived in a private plane, and from the Philippines, a senator who is likely to be a presidential candidate also arrived in a private jet. From the Vietnamese side, some Cabinet members, high-ranking bureaucrats, planners and academicians attended the meeting, entitled "Interaction for Progress, Vietnam's New Course and ASEAN Experiences."

One would be impressed by the candid remarks made by H.E. Phan Van Khai, the standing vice-president of the Council of Ministers who gave a broad picture of Vietnam's economic problems. Despite the substantial progress made under the doi moi (renovation) policy, Khai admitted that Vietnam's economy is experiencing many difficulties: Inflation is high, production is still not stabilised, and overspending is considerable.

The country's poor infrastructure is lessening its attractiveness for cooperation and foreign investment. The systems of code, institutions and mechanism, especially in financial and monetary fields, are lagging behind the commodity production and market mechanism as well. Order and discipline in economic activities are not strictly observed as yet, and the role of the State in macro regulation leaves a lot to be desired.

Given the conventional view regarding socialist nations' emphasis on propaganda, this type of self-criticism would have come as a shock two decades ago. But times have changed. Objective analysis and scientific investigation of phenomena have become part of the modus operandi of a modern government and Vietnam seems to be moving along this line.

This has turned the meeting into a candid exchange of viewpoints while a satisfactory degree of cordiality has been maintained. In short, the candid and critical remarks made by a high-ranking official of the host country are reflective of the fact that Vietnam is embarking upon an earnest effort to steer the country into the world community. In this undertaking, ASEAN is an important spot.

The meeting agreed that Vietnam's relations with each ASEAN nation would involve trade, investment, technology cooperation, aid, cultural exchange and political arrangement in which the two parties can develop confidence and mutual understanding. The participants noted that bilateral relations between Vietnam and each ASEAN nation have been progressing well and it should remain that way. Since each ASEAN country has its own priority with different historical memories of its relations with Hanoi, it is best to keep their relations in the on-going fashion.

Regarding Vietnam-ASEAN relations, there is the delicate issue of whether Vietnam could one day join ASEAN. Indeed, one can even go further by asking whether one can talk about ASEAN-Indochina-Burma relations. But this is beside the point.

Regarding Vietnam's joining ASEAN, viewpoints differed. In the first place, one must admit that despite the fading away of ideological fervour in international relations, different social, economic and political systems still make it difficult for Vietnam and ASEAN to be neatly integrated into the same organisation. But this does not mean that some type of a workable relationship cannot be developed.

If Vietnam is not ready to become a member of ASEAN, then what type of relationship can it enter into in order to make the dream of "one Southeast Asia" closer to reality?

It was suggested that integration would be the answer. It means a framework under which Vietnam can co-exist and cooperate with ASEAN for mutual benefit. This integrative mechanism can spare the various questions raised by some ASEANists who may entertain the inordinate fear that ASEAN may be diluted by admitting new members into the club.

As such, integration is defined as a process of symbiotic relationship under a common framework in which differences can be tolerated and commonness is maximised to enhance mutual interests and common prosperity. This includes sharing responsibility and contribution leading to peace, stability, cooperation and peaceful co-existence irrespective of social, economic, political and ideological system.

This definition, despite its academic tone, was endorsed enthusiastically by the Vietnamese participants. Indeed, one can argue that this should serve as a first step toward a sustainable and closer relationship in the long run.

But at a deeper level of analysis, one is tempted to ask whether Vietnam's cordial attitude toward ASEAN is warranted by reality. To be sure, Vietnam's desire to develop friendly relations with its neighbours is not an issue here. There are ample reasons to believe that Vietnam is seeking good neighbourliness in the Asian region. It has been trying to improve its ties with China. It wants to be accepted as a member of the region.

On the other hand, one may ask: What can ASEAN offer as far as technological know-how is concerned? The answer is that in terms of technological transfer, what ASEAN can offer to Vietnam is minimal. The focus then is on trade and investment. In fact, if the development process becomes successful, Vietnam may even become a competitor. But this is inevitable. Even the ASEAN nations are competing with each other for market. That is part of the rule of the game.

As such, one would suspect that Vietnam's focus may be elsewhere. First and foremost, Vietnam is anxious to have the U.S. embargo lifted. If Vietnam-U.S. relations can be normalised, it will help lighten Hanoi's burden and allow room for movement. Loans from the World Bank and some other international organisations for development may come about. This is the topmost priority.

Japan, whose investment will become a big push for Vietnam's economy, has also been given special attention. Indeed, the U.S. and Japan were mentioned distinctively by name in the 7th National Congress of the Communist Party. Other countries were lumped together under such names as Western Europe and Southeast Asia. Conspicuously missing was ASEAN.

This will raise an important question: Is Vietnam treating ASEAN in the framework of political tactic by showing to the world that it is friendly with ASEAN while economically and technologically it is eyeing the more advanced countries with a global perspective as the reference?

If this is the case, Vietnam is not alone in the situation. ASEAN is not spared from the same guilt. ASEAN's markets are the U.S., EC, Japan and the Middle East. Its economy depends on these four markets and its relationship with Vietnam is only at the initial stage of transaction.

Given the above-mentioned reality, the relationship between Vietnam and ASEAN is still a long way to go. It needs to be intensified, and it needs to be further nurtured. The potential and obstacles for a closer relationship must be investigated. Whatever the problem, geographic proximity and common ethnic and cultural heritage would dictate that Vietnam and ASEAN will have to sit back and reflect on how to make "one Southeast Asia" a reality. This may not take place overnight, but it is worth taking up the challenge.

Japan

Russia Wants 'Billions' in Japanese Aid

OW1209122191 Tokyo KYODO in English 1131 GMT 12 Sep 91

[Text] Tokyo, Sept. 11 KYODO—The Russian Federation wants Japan to provide financial assistance on the scale of "billions of dollars," Acting Russian Parliament Speaker Ruslan Khasbulatov said Thursday.

"As for the amount we hope to receive from Japan, it would be on the scale of billions of dollars, rather than hundreds of millions of dollars," Khasbulatov told reporters at the Japan National Press Club.

"Being a country of great potential wealth, we will certainly repay any assistance provided us," he added.

Khasbulatov suggested provision of financial and emergency material assistance to the Russian Federation would serve to solve some of the problems that led to last month's botched coup d'etat against Soviet President Mikhail Gorbachev.

"As it stands now, the life of our people is poor and their situation is uncertain," said Khasbulatov, a radical reformist parliamentarian and confidant of Russian President Boris Yeltsin.

"If their material life gets worse and worse, a breeding ground is created for plots for another coup d'etat," he warned.

Khasbulatov, who arrived in Japan on Monday for a five-day visit, said Western aid is essential to muster the public support needed to ensure the success of the country's economic reforms.

"It takes a while from the time reforms are implemented and the time they bear results," he added.

Khasbulatov said the Russian Federation "respects and understands the origins" of Japan's policy of linking economic assistance to the Soviet Union to progress on the bilateral political front, namely the Soviet-Japan dispute over four islands seized by the Soviet Army at the end of World War II.

He said he formally requested Japanese officials to nevertheless provide Russia with "large-scale and urgent economic aid" outside the framework of that policy.

In addition, Khasbulatov said he proposed Russia and Japan set up a joint group to monitor and control such assistance to ensure it is properly distributed to where it is most needed.

He suggested Japanese assistance would foster an appreciative opinion of Japan among the Russian populace, which in turn would facilitate a settlement of the territorial dispute.

He lamented the deep-rooted existence in the Russian mind that equates the cessation of territory with selling out the country, adding the Russian Federation and Japan must therefore "fight together" to sway public opinion.

The four Soviet-held islands in dispute—Kunashiri, Etorofu, Shikotan, and the Habomais group—are under the jurisdiction of the Federation and are inhabited by several tens of thousands of Russians.

Japan has long insisted a favorable territorial settlement is a prerequisite for a Japan-Soviet peace treaty and any provision of large-scale aid, though it has recently begun playing down the aid link.

Khasbulatov called the seizure of the islands "a tragedy for the Japanese people" and said the Russian Federation feels the peace treaty should be concluded between itself and Japan.

The 48-year-old economist explained that as Russia is now an independent entity in terms of its external relations, it is in a position to "decide and act independently" in its ties with Japan.

Khasbulatov repeated the message he conveyed to Japanese leaders that Russia deems it necessary to "condense, change, or no longer say there are so-and-so many stages" in a five-stage formula proposed by Yeltsin two years ago to settle the territorial dispute.

That proposal said in part the dispute should be decided by the next generation, a demand Foreign Ministry officials said has been effectively dropped.

Khasbulatov said the Russian Federation renounced the Kremlin's "outdated and reactionary doctrine" by which relations with Japan were context [as received] of the Soviet Union be the victor of World War II and Japan being the vanquished.

In talks with Khasbulatov earlier in the day, Foreign Minister Taro Nakayama said Japan is considering a number of measures of assistance to support the Russian Federation's reforms and to help it tide over shortages of food and medicines in the coming winter.

Nakayama outlined Japan's plan to send two government survey teams to Siberia and the Soviet Far East on September 20-30 to gauge the availability of grain, food distribution, and supply of medical goods.

He also suggested Japan could provide expertise in the conversion of military production to civilian production, as well as in the exploitation of Russia's vast resources.

Nakayama said Japan will also accept several hundreds of Soviet trainees in Japan, most of them from Russia.

Khasbulatov Leaves Following Visit

OW1309050991 Tokyo KYODO in English 0431 GMT 13 Sep 91

[Text] Tokyo, Sept. 13 KYODO—Acting speaker of the Russian Parliament Ruslan Khasbulatov headed back to Moscow on Friday following four days of meetings with Japanese leaders.

Khasbulatov, who visited Tokyo as a representative of the Russian parliament, had been invited by the ruling Liberal Democratic Party. He departed from Narita Airport on an Aeroflot jet.

When he arrived Monday, Khasbulatov delivered a letter from Russian President Boris Yeltsin to Prime Minister Toshiki Kaifu. Yeltsin's letter expressed a desire to resolve the current territorial dispute between the Soviet Union and Japan over a group of islands off the coast of Hokkaido.

Khasbulatov also met with Foreign Minister Taro Nakayama and other political and economic officials.

Government Welcomes Soviet Pullout From Cuba

OW1309093291 Tokyo KYODO in English 0904 GMT 13 Sep 91

[Text] Tokyo, Sept. 13 KYODO—Japan welcomes Soviet President Mikhail Gorbachev's announcement Wednesday that talks would soon begin with Cuba on the removal of some 11,000 Soviet troops, a Foreign Ministry spokesman said Friday.

"If this withdrawal of Soviet forces is carried out, that would remove one of the antagonistic elements existing between the U.S. and the Soviet Union since the (1962) Cuban crisis," said Watanabe.

He said, "It will certainly ensure the trend of relaxation of tensions worldwide and we would like to welcome it."

Watanabe said that while welcoming the troop pullout, Japan is still concerned about "what will become of the military aid extended by the Soviet Union to Cuba, which is said to amount to more than 1.5 billion dollars."

Japan is now considering a package of humanitarian assistance to the Soviet Union, while a breakthrough in its territorial dispute with Moscow would pave the way for massive financial assistance.

Foreign Ministry sources indicated that an end to Soviet military aid to Cuba is also a factor, though a minor one, to be considered when deciding on large-scale aid.

"Military assistance to Cuba is one factor to look at when we judge whether real change is occurring in the Soviet Union," said one official.

Furthermore, the Japanese Government's new guideline for extending aid to developing countries states that the criteria to be considered include the target countries' military expenditures and weapons exports.

Meanwhile, Foreign Ministry sources said Japan is watching with great interest the meeting on October 19 of the fourth Cuban Communist Party Congress.

"We expect the announcement of reform measures and more openness and democratization of society," said one official.

"Cuba should duly take into consideration where we are now and consider economic reform and democratization," he said.

Cuba has decided to bar all foreign delegates and press from the congress, a change in policy from the past.

KDD, Uzbek Republic To Establish Circuits

OW1209153091 Tokyo KYODO in English 1406 GMT 12 Sep 91

[Text] Tokyo, Sept. 12 KYODO—KDD revealed an agreement with the Uzbek Ministry of Communications on Thursday to establish communications circuits between Japan and the republic via an International Telecommunications Satellite Consortium (Intelsat) satellite.

As a next step, the Japanese overseas communications giant will enter into an agreement with the Soviet central government and the Uzbek ministry early next year, KDD said.

Under this agreement, 30 Intelsat communications circuits will be established as early as next summer between Japan and the republic.

KDD said the projected satellite circuits will also be used for communications with four other southern Soviet republics, Kazakh, Tajik, Kirghiz, and Turkmen.

Uzbek is the second Soviet republic to conclude such a satellite communications agreement with KDD, following the first agreement with the Russian Republic in June to establish Intelsat communications circuits with the Soviet Maritime Province (Primorskiy) and Sakhalin.

North Korea's Rejection of Inspection Assailed

OW1309033791 Tokyo KYODO in English 0205 GMT 13 Sep 91

[Text] Tokyo, Sept. 13 KYODO—Japan rapped North Korea on Friday for refusing to open its nuclear facilities to international inspection.

"It is regrettable that (North Korea) is refusing to meet its obligations under international law for an unjust reason," chief Cabinet Secretary Misoji Sakamoto told a news conference.

Japan has stipulated Pyongyang acceptance of inspections as a condition for establishing diplomatic ties.

North Korea on Thursday told a meeting of the Vienna-based International Atomic Energy Agency that it would accept the agency's inspection team only if U.S. nuclear weapons are withdrawn from South Korea.

North Korea said in June it is prepared to allow international inspections in accordance with the Nuclear Non-Proliferation Treaty it signed in 1985.

For the past six years, however, Pyongyang has refused to allow inspections unless the U.S. eliminates nuclear weapons North Korea maintains are deployed in South Korea.

The United States has a policy of neither confirming nor denying the presence of nuclear weapons at military facilities in South Korea or elsewhere.

South Korea's Kim Yong-sam To Visit Japan

OW1209151891 Tokyo KYODO in English 1208 GMT 12 Sep 91

[Text] Tokyo, Sept. 12 KYODO—Kim Yong-sam, chairman of South Korea's Democratic Liberal Party (DLP), will visit Japan from September 18 to 21 for talks with Japanese officials, parliamentarians said Thursday.

Kim will meet former Prime Minister Noboru Takeshita, who is the head of the Japanese parliamentary group promoting friendship with South Korea, they said.

Kim is also expected to hold talks with Democratic Socialist Party Chairman Keigo Ouchi and Komeito Chairman Koshiro Ishida.

Kim will be stopping in Japan before heading for New York, where he will attend the U.N. General Assembly with South Korean President No Tae-u.

Armed Man Arrested After Taking Hostage

OW1309094691 Tokyo KYODO in English 0916 GMT 13 Sep 91

[Text] Tokyo, Sept. 13 KYODO—A man broke into the Tokyo office of the United Nations High Commissioner for Refugees (UNHCR) on Friday and held a female employee at knifepoint for more than two hours before he was arrested, police said.

The man, believed to be a Somali, came to the office at 1:15 P.M. and took the woman hostage for more than two hours as he locked himself inside, police said.

Police arrested the man at 3:40 P.M. after persuading him to free the woman.

There were no injuries, police said.

Police said they don't know what the man's motives were, but added that he reportedly had visited the office several times before.

The Geneva-based UNHCR established its office in Tokyo's Minami Aoyama area in 1982.

Firm, Four Executives Indicted in Missile Case

OW1309052091 Tokyo KYODO in English 0505 GMT 13 Sep 91

[Text] Tokyo, Sept. 13 KYODO—Public prosecutors on Friday indicted Japan Aviation Electronics Industry (JAE), a Tokyo-based aerospace equipment manufacturer, and four executives of the company on charges of illegally exporting air-to-air missile parts to Iran during the Iran-Iraq war.

The indicted executives are Yukio Kaito, 63, the firm's senior adviser and former president; Keiichi Fukuizumi, 64, a senior managing director; Yoshiharu Fukunaga, 58, a director; and Hironobu Takahashi, head of the company's aircraft division.

The Tokyo District Public Prosecutors Office charged the firm and the four executives with violating Japan's Foreign Exchange and Foreign Trade Control Law and tariff law over a period of 18 months beginning in May 1988 by exporting 1,357 flywheels for use in U.S.-designed Sidewinder air-to-air missiles for the Iranian Air Force's mainstay jet fighter, the U.S.-made F-4 Phantom.

JAE made a profit of 35 million yen from exporting flywheels without obtaining the approval of the Ministry of International Trade and Industry (MITI), prosecutors said.

Flywheels function to stabilize the missile's flight and are vital for the accuracy of the heat-seeking missiles in targeting enemy aircraft.

JAE imported 1,357 damaged flywheels from the Iranian Air Force from May 1988, via a Singaporean subsidiary of a U.S. arms dealer, Aero Systems Inc. of Florida, the prosecutors said.

The Japanese firm repaired the flywheels and reexported them to Iran through Aero Systems, the prosecutors added.

Since 1967, Japan has maintained a policy of prohibiting export of arms to the communist bloc, countries subject to UN weapons trade embargoes, and areas of conflict.

The Metropolitan Police Department will dispatch several investigators to the United States next week to probe the case.

A U.S. federal grand jury earlier this month indicted JAE for allegedly selling 7 million dollars worth of U.S.-designed gyroscopes and accelerometers to Iran in violation of a U.S. embargo on weapon sales to Tehran.

The indictment alleged that JAE conspired with Aero Systems to sell illegally to Iran from February 1984 to October 1987 critical navigational components for F-4 Phantom fighters.

The grand jury also indicted three JAE employees, Aero Systems and its subsidiary in Singapore, Aero Systems Pte, its Hong Kong Unit Hierax Co., and two senior Aero Systems Pte and Hierax executives.

Aero Systems is a Miami-based company involved in the sales and servicing of aircraft equipment.

Political Reform Bills Sent to Committee

OW1209140091 Tokyo KYODO in English 1320 GMT 12 Sep 91

[Text] Tokyo, Sept. 12 KYODO—A package of political reform bills aimed mainly at introducing a single-seat constituency system in the House of Representatives was referred to a special committee on political reform Thursday after a three-day plenary session of the lower house.

Prime Minister Toshiki Kaifu reiterated that the government submitted the bills in order to make political campaigning less costly and to focus on policy rather than personal attributes during elections.

Committee deliberations begin Friday.

Faced with strong objections to the bills by members of both the opposition and ruling Liberal Democratic Party [LDP], the package is expected to be scrapped or carried over to the next Diet session.

Kaifu, who has said he will stake his political career on political reform, could find his bid to win reelection as LDP president weakened if the package is scrapped.

Kaifu's two-year term as LDP president, which carries with its prime ministy, expires at the end of October.

The government also plans to submit a bill next week designed to allow Japan to participate in U.N. peacekeeping operations, another major item in the current extraordinary Diet session.

Kaifu Defends Package of Bills

OW1309063791 Tokyo KYODO in English 0619 GMT 13 Sep 91

[Text] Tokyo, Sept. 13 KYODO—Prime Minister Toshiki Kaifu on Friday defended political reform bills presented by his government and said the introduction of a proportional representation system to the House of Representatives is constitutional.

Kaifu's statements were in response to Liberal Democratic Party members who questioned his reform bill package during a session of the lower house's special committee on political reform.

Kazuya Ishibashi said he supports political reform itself but said he suspects the proposed proportional representation system would violate the constitution because it would prevent voters from electing representatives.

Kaifu replied that the government has conducted intensive discussions on the issue and has concluded that proportional representation constitutional.

The package aims to introduce a system of single-seat election districts and proportional representation districts to the powerful lower house.

Under the proposal, the current 130 multiple-seat lower house constituencies would be converted into 300 single-seat constituencies. The remaining 171 seats would be decided through a proportional representation system.

Voters would cast two ballots, one for a candidate running in their district and another for a party.

Kaifu said it is necessary to reform the electoral system, placing more emphasis on policies and political parties rather than individual candidates.

Hosei Norota expressed reservations about the reform package, and called on Kaifu not to handle the matter too hastily.

Kazuo Tanikawa said he supports the bills but said that Kaifu is sidestepping the problem of public distrust of politics.

Kaifu replied that electoral system reform is the only way to secure transparency in political funds and to generate public trust in politics.

LDP Panel Sets Possible Runoff Election

OW1209141791 Tokyo KYODO in English 0700 GMT 12 Sep 91

[Text] Tokyo, Sept. KYODO—The presidential election commission of the ruling Liberal Democratic Party (LDP) proposed Thursday to hold a runoff election on October 27 if none of the candidates for the party's presidency wins a majority in balloting for the post the same day.

Seisuke Okuno, the commission's chairman, made the proposal at a meeting at which commission members confirmed October 19 as the date of an election announcement and October 27 as day of balloting.

A winner in the LDP presidential election normally becomes prime minister because of the party's majority in the powerful House of Representatives or lower house of the Japanese parliament.

Former Finance Minister Kiichi Miyazawa has declared his intention of running in the LDP leadership race.

Prime Minister Toshiki Kaifu, whose two-year term as party president expires on October 30, wants to keep his job, his aides say.

Michio Watanabe, another former finance minister, has also expressed interest in running for LDP president.

Okuno said LDP lawmakers of both houses of the Diet will cast their ballots in a runoff election if there is no clear winner in he first vote by them and by rank-and-file party members.

He said at a news conference that all initial ballots will be in before 6 P.M. October 27. If none of the candidates wins a majority, there will be an immediate runoff election between the top two contenders, he added.

The final outcome of the presidential election will be available at around 7 P.M. the same day.

As part of the election campaign, Okuno said, candidates will hold a joint news conference and appear jointly to deliver speeches in their campaign platforms.

He also told reporters that candidates can buy a list of LDP voters for a fee and freely contact them.

Business Leaders To Back Reform Candidate

OW1309061591 Tokyo KYODO in English 0601 GMT 13 Sep 91

[Text] Tokyo, Sept. 13 KYODO—Leaders of Japan's four most influential business groups told top executives of the ruling Liberal Democratic Party (LDP) on Friday they will support a "political reform-oriented" candidate in October's LDP presidential election.

Leaders of the Federation of Economic Organizations (Keidanren), the Japan Federation of Employers' Association (Nikkeiren), the Japan Association of Corporate Executives (Keizaidoyukai), and the Japan Chamber of Commerce and Industry also asked LDP Secretary General Keizo Obuchi and other party executives for quick implementation of political reforms, officials of the four groups said.

At the meeting held at a Tokyo hotel, LDP executives explained the LDP's new system for electing its president, who automatically becomes prime minister due to the party's majority in the House of Representatives.

They said they hope the LDP presidential election system is "open to the people," the officials said.

The LDP executives also briefed the business leaders on party efforts to establish a watchdog organization for financial and brokerage institutions.

Observers said the business leaders expressed support for proposals put forward by Prime Minister Toshiki Kaifu for political reforms, but were concerned that the reforms might not materialize due to opposition within the party to having single-seat constituencies for the lower house.

SDP Forms Shadow Cabinet To Shape Policy

OW1209151991 Tokyo KYODO in English 1200 GMT 12 Sep 91

[TExt] Tokyo, Sept. 12 KYODO—For the first time in its 36-year history, the Social Democratic Party (SDP) formed a shadow cabinet Thursday to shape its own day-to-day parliamentary policies in contrast to those of the ruling Liberal Democratic Party, SDP officials said.

The SDP, Japan's largest-opposition party, will hold its first shadow cabinet meeting on Friday morning, the officials said.

The 32-member group will be headed by SDP Chairman Makoto Tanabe acting as prime minister, and will include a deputy prime minister, a chief cabinet secretary, seven ministers, and 22 vice ministers.

SDP Vice Chairman Shigeru Ito was named as Deputy Prime Minister, and Masaru Hayakawa, chairman of SDP policy board, was appointed chief cabinet secretary.

House of Representatives member Wataru Kubo was named finance minister, and lower house member Kosuke Uehara was appointed foreign minister and director general of the Defense Agency.

Other ministers named include lower house member Sanji Muto, who will serve as shadow minister of international trade and industry, and lower house member Kenjiro Kawamata appointed shadow health, welfare, and labor minister.

Another lower house member, Yuzuru Shimasaki, will become shadow education minister.

Tanabe promised to form the shadow cabinet as part of an SDP political reform plan he and his reform committee presented late June. The plan was presented about a month before Tanabe's appointment as party chief in an extraordinary party convention.

Cabinet Holds First Meeting

OW1309055191 Tokyo KYODO in English 0532 GMT 13 Sep 91

[Text] Tokyo, Sept. 13 KYODO—A shadow cabinet formed Thursday by the Social Democratic Party (SDP) held its first meeting Friday and began activities the party hopes will help it outgrow their role as the "permanent opposition" party.

Nine shadow ministers and parliamentary vice ministers attended the meeting, which began with an opening statement by Makoto Tanabe, SDP chairman and shadow prime minister.

Tanabe said he hoped the shadow cabinet would prepare the No. 1 opposition party for a change in govenment leadership, and said key cabinet policies would be "disarmament, contribution to international society, protection of human rights and the environment, and promotion of welfare."

The SDP shadow cabinet will prepare an independent national budget for next fiscal 1992 as well as its own diplomatic and security policies that will be centered in Asia, SDP officials said.

The shadow ministers will also establish a group of civil experts that would advise the cabinet, they said.

Chairman Views Defense Budget

OW1309081991 Tokyo KYODO in English 0727 GMT 13 Sep 91

[Text] Tokyo, Sept. 13 KYODO—Social Democratic Party (SDP) Chairman Makoto Tanabe said Friday that it will be difficult to make drastic cuts in the defense budget for fiscal 1992 which starts in April next year.

Tanabe said the ruling Liberal Democratic Party (LDP) will be doing a good job if it can keep the increase of the budget to within 2 or 3 percent of what is being spent in the current fiscal year.

Tanabe, head of Japan's largest opposition party, made the remarks to about 180 reporters and business people at a luncheon hosted by KYODO News Service.

Tanabe said the SDP will make its own "realistic proposal" to reduce next fiscal year's defense budget.

The Defense Agency has asked for 4.62 trillion yen in fiscal 1992, an increase of 5.38 percent over the previous fiscal year.

On the issue of political reform, Tanabe said the SDP hopes political fund control and political ethics bills will pass in parliament. The bills are two of three in a political reform package proposed by the government.

The passage of the two bills will open the way for future deliberation on another disputed political election bill, Tanabe said.

In the proposed election reform program, the government proposes to convert 130 multiple-seat constituencies into 300 single-seat districts. The remaining 171 seats would be decided by proportional representation.

Ishihara Receives Money From Fraud Suspect

OW1309091191 Tokyo KYODO in English 0854 GMT 13 Sep 91

[Text] Tokyo, Sept. 13 KYODO—Outspoken politician Shintaro Ishihara on Friday admitted receiving 30 million yen from the head of a real estate firm now at the center of a widening golf club membership fraud scandal.

Ishihara, a former transport minister, said the money received from real estate speculator Ken Mizuno was handled as a campaign donation during the House of Representatives election in February 1990.

On Thursday, former management and coordination agency chief Kiyoshi Mizuno admitted receiving 60 million yen over three years from Ken Mizuno, president of the Tokyo-based real estate firm.

Kiyoshi Mizuno, however, denied providing any political favors to the firm, Ken International Co.

Ishihara's secretary said Friday that in February 1990 Ken Mizuno called on Ishihara's campaign headquarters in Tokyo and gave the Liberal Democratic Party candidate 30 million yen.

Ishihara's campaign workers accepted the money as a political contribution but broke the donation into amounts smaller than 1 million yen and reported them as gifts from various firms associated with Mizuno.

The current law governing political funding forbids politicians and political organizations from receiving donations of more than 1.5 million yen from any one company each year.

At a press conference, Ishihara explained he was not at the campaign headquarters when Mizuno called in February 1990, but said he later told his secretary to send Mizuno a thank you message for the large contribution.

Ishihara maintained that he has had no contact with the real estate head since sending the message.

Regarding the 30 million yen contribution, Ishihara said, "I would like to return all the money because there were people hurt (by this situation)."

On Tuesday, police searched Ken International, Tokyo-based golf course developer Hitachi Kanko Kaihatsu, and golf club membership sales firm Sanki Co. on suspicion of door-to-door sales violations.

Hitachi Kanko Kaihatsu is now involved in a lawsuit filed last month by members of the company's Ibaraki country club in Ibaraki Prefecture. Mizuno is believed to be the de-facto owner of Hitachi Kanko Kaihatsu and its country club.

Members claim the company offered memberships in the golf club to only 2,800 people or corporations, while it actually admitted 49,000 in order to raise 100 billion yen.

The golf course developer went virtually bankrupt last week, with debts of some 110 billion yen.

Cabinet To Approve Bill for Revising Law

OW1209134191 Tokyo KYODO in English 1233 GMT 12 Sep 91

[Text] Tokyo, Sept. 12 KYODO— The cabinet is scheduled to approve a bill Friday that would revise the Securities and Exchange Law and include penalties for engaging in loss-compensation schemes, government officials said Thursday.

The bill is intended to prevent a recurrence of the recent Japanese stock scandal where brokerages compensated clients for investment losses, allegedly manipulated stock prices, and were tied to organized crime figures.

Diet action on the legislation is expected to start with a House of Representatives ad hoc committee session on securities and financial problems next Tuesday.

The government hopes to have the bill passed within the month, the officials said.

The bill would prohibit brokerages from paying compensation to clients for market losses and managing discretionary accounts which give brokerages sole authority to make investment decisions without notifying clients.

Under the legislation, brokers which agree to pay compensation for investment losses will face imprisonment of up to one year or fines of up to 1 million yen. Clients who demand such compensation are subject to a prison term of up to six months or a fine of up to 500,000 yen.

The bill also makes violators of the ban on discretionary accounts subject to administrative punishment.

Clients would only be subject to criminal punishment if they demand compensation for investment losses.

Members of the ruling Liberal Democratic Party had argued that harsh penalties for clients could affect normal securities transactions.

Voluntary rules worked out by the Japan Securities Dealers Association will be used as guidelines to determine whether a specific act by a brokerage company constitutes loss compensation.

The Finance Ministry, in a 1989 directive, prohibited brokerages from paying compensation to clients for investment losses after a Daiwa Securities Co. payment was exposed.

Since the 1990 stock market slump, however, many securities companies have made such payment to clients in violation of the directive.

Many securities industry officials praised the proposed law, saying it should prevent clients from demanding compensation.

Corporate clients also said the legislation is necessary to prevent future scandals.

A spokesman for Tokyo Electric Power Co. said the securities industry should guarantee more openness and fairness of the market.

A statement from Suzuki Motor Co., one of the companies which received compensation payment from brokerages, welcomed the proposed law revision and said manufacturers should work harder to produce profits in their own business.

Some officials, speaking on condition of anonymity, were skeptical about whether the new rules would end the practice of "mutual dependency" for profits between brokerages and their clients.

Approves Proposed Changes

OW1309025791 Tokyo KYODO in English 0201 GMT 13 Sep 91

[Text] Tokyo, Sept. 13 KYODO—The government gave its official go-ahead to proposed revision of the securities and exchange law which gives it more teeth to prevent stock market abuses, government sources said Friday.

Prime Minister Toshiki Kaifu's cabinet approved the proposal for presentation later this month to the current extraordinary Diet session.

After deliberations at the ad hoc committees on financial scandals of both houses of the Diet, the revision will be enacted during the session which runs through October 4.

The proposal calls for a ban on unfair kickbacks by brokerages to clients, a prevailing practice brought to light by a recent stock scandal.

Brokers which pay compensation for investment losses will face imprisonment of up to one year or fines of up to 1 million yen. Investors who ask for and receive refunds could be jailed up to six months or fined up to 500,000 yen.

Discretionary accounts which give brokers sole authority to make investment decisions for clients, believed to be a favorite venue for unfair kickbacks, will also be banned.

Panel Adopts Final Proposal for Watchdog Group

OW1309052491 Tokyo KYODO in English 0503 GMT 13 Sep 91

[Text] Tokyo, Sept. 13 KYODO—A government advisory panel adopted a final proposal Friday on planned creation of a securities industry regulator.

But the move came only after days of haggling over the scope of authority to be granted the new body.

The ad hoc commission on administrative reform, which has been studying ways to prevent stock market abuses, will submit the final recommendation to Prime Minister Toshiki Kaifu later in the day.

The panel will propose forming a new oversight body affiliated with the Finance Ministry, tentatively called the Securities and Financial Examination Committee.

The organization will be empowered with semijudicial authority such as abilities to investigate alleged abuses and lay allegations, but the right to impose disciplinary measures will be left to the finance minister.

Members of the proposed committee will be nominated by and put under direction of the minister.

Some commission members opposed the plan because they feel the new group should be more independent of the Finance Ministry and have enforcement powers.

The commission, headed by Eiji Suzuki, former chairman of the Japan Federation of Employers' Associations (Nikkeiren), originally planned a powerful watchdog group similar to the U.S. Securities and Exchange Commission (SEC).

But the final proposal looks like a compromise, analysts say, with the Finance Ministry, which has long acted both as police and protector for the securities industry, left with plenty of power.

Another main pillar of the recommendation calls for step-by-step decontrol of fixed broker commissions which critics say were partly responsible for recent kickback scandals.

They charge the system limits competition among brokers, thus making them compete in ways such as compensating investors for trading losses.

The nine-member panel also recommended overhaul of the license system for brokers, with the ultimate goal set on the introduction of a U.S.-style registration system to encourage smoother entry by prospective brokers.

Also included in the proposal is legalization of government directives and guidances which are not legally binding, but expected to be followed by the industry. Administrative measures alone have been criticized as too weak to check illicit activities by brokerages.

Establishment of the principle of self-responsibility for investors and increased self-regulation by the industry are also proposed by the panel.

Brokerages React Negatively

OW1309053691 Tokyo KYODO in English 0508 GMT 13 Sep 91

[Text] Tokyo, Sept. 13 KYODO—Japanese securities industry officials expressed concern Friday that their business could be seriously affected by a government advisory panel's proposal to liberalize brokerage commissions as part of efforts to prevent stock market abuses.

The officials were commenting on a wide-ranging report, compiled by the ad hoc commission on administrative reform, on overhauling the scandal-tainted securities industry.

Japan's brokerage commissions are currently fixed, a fact seen as partly responsible for recent scandals over brokerages' payments of compensation for market losses to some major clients.

An executive with a second-tier securities company, who asked not to be identified, said the proposed deregulation of commissions would cause a decrease in commission revenues in the stock market slump and could force smaller brokerages to go out of business.

Other officials noted that the report, while urging deregulation of brokerage fees, makes no mention of brokerages' sales activities which are tightly controlled by the government.

Another executive, commenting on the proposed creation of a securities watchdog, expressed fears that such a powerful body could affect market vitality.

Other officials said, however, that a regulating body in the long run would help restore investor confidence in the market.

Some officials expressed doubts about the report's proposal on increased self-regulation in the securities industry.

Hashimoto Favors Stringent Laws

OW1309043391 Tokyo KYODO in English 0252 GMT 13 Sep 91

[Text] Tokyo, Sept. 13 KYODO—Finance Minister Ryutaro Hashimoto said Friday a more stringent securities law will help the market and the ministry recover public faith which was badly damaged by recent financial scandals.

Hashimoto told a press conference that proposed revision of the Securities and Exchange Law, approved by the cabinet earlier in the day, will mark "a first step toward restoration of the public trust in the market and the ministry."

The revised version of the law, to be submitted to the current extraordinary session of the Diet, calls for jail terms or fines not only for brokerages but also for investors involved in unfair stock- loss compensation.

Hashimoto said the scandals forced him to realize the limitation of ministry policy which has heavily depended on administrative guidance and other informal measures.

Official Denies Compensation by Mitsubishi Trust

OW1309060191 Tokyo KYODO in English 0540 GMT 13 Sep 91

[Text] Tokyo, Sept. 13 KYODO—A senior Ministry of Finance official denied a Friday news report that Mitsubishi Trust and Banking Corp. compensated favored clients for losses in the financial markets.

The official, who refused to be identified, said, "we understand Mitsubishi did nothing illegal."

The ASAHI SHIMBUN reported Friday morning that Mitsubishi, using "virtual subsidiary" Marunouchi Finance, paid "multibillion yen kickbacks" to investors in some "fund trusts" which failed to reach targeted returns.

Profits were shifted from strongly performing funds entrusted by Marunouchi to those doing poorly to recompensate selected clients, ASAHI said.

The ministry official did not say the fund movements were never made, but explained that fund managers at trust banks are not prohibited from shifting part of portfolios from one fund to another.

The official said the ministry conducted an investigation into the bank in November 1990, as ASAHI reported, and instructed the bank to improve its fund management system.

"There were some problems with the bank's fund management operations that could cause trouble with the customers, but there was no violation of the law," the official said.

Mitsubishi followed the ministry's instruction and took steps toward improvement, he said, although it refused to say what the instructions were.

Japan's Trust Bank Law prohibits compensation of losses by trust banks, but the Finance Ministry official said there have been no such cases reported involving Mitsubishi Trust and Banking.

Fund trusts are a type of investment instrument in which investors give almost full discretion to trust banks for fund management.

In that sense fund trusts are similar to "eigyo tokkin" accounts managed by securities companies, which were criticized in recent stock scandals as venues for loss kickbacks by brokerages.

But the ministry official stressed the two are completely different in that fund trusts are a fully legal operation, while securities companies are not allowed to serve as virtual investment advisors as they did with the eigyo tokkin funds.

An official at Mitsubishi Trust and Banking said his company has no equity stake in Marunouchi Finance, but said retired Mitsubishi officials manage it.

He also said Mitsubishi is the main bank, the largest lender, for the company, and has fund trust contracts with it.

The official denied, however, that Mitsubishi used the firm in illegal scheme.

Ex-Official Admits Receipt of 60 Million Yen

OW1209135591 Tokyo KYODO in English 0844 GMT 12 Sep 91

[Text] Tokyo, Sept. 12 KYODO—Former management and coordination agency chief Kiyoshi Mizuno admitted on Thursday that he received a total of 60 million yen during the past three years from a former real estate company owner recently connected with alleged fraud on golf club membership sales.

Mizuno said in a press conference that he returned all of the money to Ken Mizuno, former president of Tokyo-based real estate company, Ken International Co., on September 5, soon after the fraud scandal was revealed.

"I did not provide any favor with him in return for the money," Mizuno said. He said he could not understand what the former president wanted so he kept the money in his office intending to return it.

Of the 60 million yen, the former agency chief said Ken Mizuno handed over 10 million yen to him via Ken International's office in December 1989.

He said the former president then handed over 50 million yen to Mizuno's secretary at the former agency chief's Tokyo office in February 1990, while he served as director general of the Management and Coordination Agency.

Mizuno said at that time he was out of Tokyo campaigning for general elections.

Mizuno, a member of the ruling Liberal Democratic Party, said he became acquainted with the former president through a friend about 10 years ago.

Mizuno also said he did not report all of the money to the Home Affairs Ministry as a political donation because he believed it wasn't a donation.

The current law governing political funding forbids politicians and political organizations from receiving donations over 1.5 million yen from one company per year.

Ministry officials said Mizuno may have violated the law if the money is found to be a political donation.

On Tuesday, police searched Ken International, Hitachi Kanko Kaihatsu, a Tokyo-based golf course developer, and Sanki Co., a golf club membership sales firm, on suspicion of violating a law on door-to-door sales.

Hitachi Kanko Kaihatsu is now involved in a law suit filed last month by members of its Ibaraki country club in Ibaraki Prefecture. Ken Mizuno is believed to be the de-facto owner of Hitachi Kanko Kaihatsu and its country club.

Members claim the company said it was offering memberships in the golf club to only 2,800 people or corporations, but it actually admitted 49,000 in order to raise 100 billion yen.

The golf course developer virtually went bankrupt last week with debts of some 110 billion yen.

Bank of Tokyo To Open Shanghai Branch

OW1209082991 Tokyo KYODO in English 0559 GMT 12 Sep 91

[Text] Tokyo, Sept. 12 KYODO—The Bank of Tokyo said Thursday it will open a branch in Shanghai, possibly by the end of this year.

The Bank of Tokyo will become the third Japanese bank to open a branch in Shanghai, following the Industrial Bank of Japan and Sanwa Bank.

Labor Turnover Figure Over 10 Million in 1990

OW0609155191 Tokyo KYODO in English 1253 GMT 6 Sep 91

[Text] Tokyo, Sept. 6 KYODO—The labor turnover figure in 1990 topped 10 million, a record reflecting the nation's growing demand for labor in a business boom, the Labor Ministry reported Friday.

The report said the number of those who obtained, changed, or left jobs totaled a record 10.55 million people in 1990. The number of people who left or obtained jobs, excluding job changers, hit 7.38 million, the largest number in history.

The turnover rate of the nation's total employed workforce hit 32.0 percent, the first time it has been that high in 16 years, the report said.

The ministry did a nationwide survey of 15,000 enterprises with more than five employees.

According to the survey, a record 5.52 million people obtained jobs in 1990, and 5.03 million, also a record, left their jobs.

Of those who obtained jobs, 57.4 percent were job changers, totaling 3.17 million, which is the highest since 1975. The large figure reflects variety in the values of women workers and new school graduates, the report said.

Of those who obtained jobs, 2.6 million were men and 2.92 million were women. New graduates accounted for 20.0 percent, down 2.4 percentage points from the previous year.

Of the job changers, 1.7 million were men and 1.47 million women. One out of three female job changers was under 24 years old, the report said.

Among the new graduates, 200,000 left jobs they had obtained, up 2.2 percentage points to 18.2 percent. High school graduates were especially apt to leave jobs—148,000 left jobs, the report said.

KYODO Correction to Yugoslav Comments

OW1009112691

KYODO supplies the following correction to the item headlined "Comments on Yugoslav Situation," published in the 10 September East Asia DAILY REPORT, page 9:

Column one, paragraph eight, make read:

Last July, Antall drew a strong protest from Yugoslavia when he pointed out that the former Hungarian province was awarded by 1920 and 1947 treaties to the Kingdom of Serbs, Croats, and Slovenes, and subsequently to Yugoslavia. He said the province had never been handed over to Serbia.

Relations with Yugoslavia.... (rewording, deleting paragraph)

North Korea

Official Denounces U.S. on Nuclear Arms Pact

SK1309123791 Pyongyang Korean Central Broadcasting Network in Korean 1100 GMT 13 Sep 91

[Text] In connection with the fact that, as a result of the maneuvers by the United States and some other countries, a resolution was adopted at the International Atomic Energy Agency [IAEA] Board of Governors meeting to urge us to sign the safeguards agreement, the head of our country's delegation gave a news conference on 12 September in Vienna, Austria. Japanese and South Korean reporters and pertinent officials attended the news conference.

In his statement, the head of the delegation said it is regrettable that, as a result of the unjust act by some countries to unilaterally pressure us, the IAEA Board of Governors meeting adopted a resolution containing unjustifiable elements.

He went on to say: Our delegation totally rejects this resolution and makes it clear that the countries who presented this resolution will be held fully responsible for consequences that may arise therefrom. Our delegation thinks this resolution reflects some countries' impure design to tarnish our country's international prestige. Signing an international treaty concerns a country's sovereignty. The issue concerning the safeguards agreement is directly linked to the U.S. nuclear threat to us. Out of a sincere desire to fulfill the duties stipulated in the Treaty on the Nonproliferation of Nuclear Weapons [NPT], the DPRK took a step forward by accepting the text of the safeguards agreement with the IAEA. In taking this epochal measure, we duly expected that the issue of removing the U.S. nuclear threat to us could be resolved because it is linked to our nation's life and death. However, the United States, a country that possesses nuclear weapons and is directly responsible for removing the nuclear threat to us, has not taken any positive measure on this issue. As long as the nuclear threat to our country exists, the issue of our signing the safeguards agreement cannot be easily resolved. Therefore, we are making positive efforts in regard to making the United States resolve the issue of removing the nuclear threat to us. At this very time, the Board of Governors meeting approved the text of the safeguards agreement to be signed between our country and the IAEA, and the United States must respond to this with a sincere measure. If it is truly interested in our signing the safeguards agreement, the United States must hold talks with us to discuss the issues of withdrawing nuclear weapons from South Korea and of the nonuse of nuclear weapons against our country. In connection with this, the DPRK is willing to hold official governmental talks with the United States in Vienna or Geneva. We will watch how the United States will act in the future.

Japan is misusing our signing of the safeguards agreement to find an excuse to develop its own nuclear weapons. We must take due precautions against this.

The South Korean authorities are the executioners of another country's nuclear war and those who have subjected their own countrymen to another country's nuclear threats. The South Korean authorities must no longer hinder our efforts to protect our nation from nuclear threat and demand that the United States withdraw its nuclear weapons from South Korea and accept our proposal to denuclearize the Korean peninsula.

Our delegation considers the resolution an infringement of our country's sovereignty and expects that no more obstacles will be erected to prevent our signing of the safeguards agreement.

The DPRK will make every possible effort to prevent the danger of nuclear war on the Korean peninsula and to strengthen the system of preventing the proliferation of nuclear weapons.

The head of the delegation then answered questions from reporters.

U.S. Theory on New Global Order Criticized

SK1209115791 Pyongyang Korean Central Broadcasting Network in Korean 0730 GMT 7 Sep 91

[Unattributed talk: "Dangerous Nature of U.S. Theory on New Global Order"]

[Text] The great leader Comrade Kim Il-song has taught: There is no limit to the ambition and avarice of the imperialists. Today the U.S. ruling bunch is loudly talking about the establishment of a new global order, saying the realization of this order is an important task for the United States.

This new global order theory is a product of the U.S. imperialists' endless aggressive ambition and avarice. The United States is attempting to embellish and prettify the so-called new global order as a just international order dominated by freedom and peace.

However, this order is a global order to be established solely on the basis of U.S. interests and is a reactionary ruling system for the United States to control everything.

By establishing a new global order, the United States is trying to remodel the world on capitalism and to subjugate other countries and peoples, while acting as an emperor. Thus, it is dreaming of wielding all kinds of tyranny.

The U.S. imperialists claim that the theory on new global order is a global strategy implemented as the result of the United States being the only superpower in the world with the success of its cold war policy.

The remarks themselves show the arrogant nature of the U.S. imperialists. As is known, the imperialists, including the United States, felt uneasy over the rapid growth of the socialist and progressive forces after World War II and adhered to an antisocialist confrontation policy to weaken these forces. The cold war was created as the result of this policy.

The imperialists, conspiring with each other, frantically perpetrated political, military, and economic blockades against socialist and new developing countries. They ran amok with their maneuvers to create internal crumbling in these countries by means of threat and menace and through reactionary ideological and cultural offensives. Thus, they attempted to suffocate and crush these countries.

The so-called Truman Doctrine and the Marshall Plan of the United States, the U.S. fabrication, NATO, and other military treaties served as important tools for the antisocialist cold war.

As the result of the cold war policy of successive U.S. administrations, relations between the East and West were plunged into the state of acute political, military, and ideological confrontation and the arms race was accelerated. This strained the international situation to an extreme point and created the danger of a new global war, a world thermonuclear war.

The United States triggered the Korean war and attempted to expand this war into a third world war. However, it failed to realize its intent due to our people's heroic struggle.

The cold war was a great threat to world peace and mankind. The growth and reinforcement of independent and peace forces in the world, including people in socialist countries and the Third World who opposed the danger of a new war, and the appearance of powerful antiwar and antinuclear peace-protection movements served as a severe blow to the imperialists' adventurous military line.

As a result, the imperialists' attempt to gain supremacy in the cold war was not realized. A series of changes took place in the current international situation. The balance of power was destroyed in the international arena.

This being the situation, the United States raved that the West had achieved victory in the cold war and socialism was defeated. It then babbled that the United States now remains the only superpower in the world and that it is the United States' responsibility to establish a new global order.

Needless to say, these remarks show the U.S.' endless ambition of aggression and dominationist way of thinking. This is also proven by the remarks of U.S. President Bush that the U.S. guiding leadership should be established in many places of the world and that the next century should be the U.S. century.

As clearly shown by Bush's remarks, the U.S. theory on a new global order is a new confrontation line put forward against peace, socialism, independence, and progress to continuously pursue the dominationist ambition on the pretext of detente, which is a change only in form.

The theory behind a new global order is a cunning, aggressive doctrine based on U.S. tyranny and its dominationist avarice. The United States gained strength from the vicissitudes of socialism and from the dissolution of the Warsaw Pact and has become as arrogant as it can be since the Gulf War.

According to this doctrine, the United States is scheming to control the world. The imperialists are mobilizing various means and methods to realize their aggressive ambition, but their bases are strength, military threat and menace, and armed forces.

The United States is attempting to establish a new global order using strength. The peaceful transition strategy is supported by the policy of strength. The new military strategy advocated by the United States is the military way to establish a new global order.

According to a Voice of America broadcast, the United States will keep rapid response forces—flexible and mobile military forces to counter threats throughout the world—on the U.S. mainland according to its new military strategy. The United States will also deploy U.S. forces in forward areas in the Pacific and European area and will protect U.S. interests by affiliating with allied forces.

U.S. President Bush also said the United States considers nuclear diversionary capability in maintaining its armed forces important. In other words, three factors will constitute the system of military aggression by which the United States can enter a war at any time and from any place in the world, according to its new military strategy: drastic reinforcement of mobile strike forces which are mainly based on nuclear forces; maintaining U.S. troops deployed in forward areas, and mobilization and use of allied forces.

The U.S. pretext, put forward comprehensively in connection with this system, is local conflict and possible local danger.

In the 1991 report evaluating U.S. military power, U.S. Defense Secretary Cheney said that the United States will readjust its policies and armed forces according to the new strategy in order to cope with a local conflict.

This means that the United States will determine the main direction of military invasion in Asia, Africa, and Latin America. This also means a declaration by the United States that it absolutely will not retreat from its policy of war, although it talks about the end of the cold war.

However, local conflicts were caused by the imperialists' behind-the-scenes manipulation and were used for their aggressive aims.

The U.S. statement that local conflicts are important in its military strategy shows that the United States is trying to intensify military intervention by taking advantage of such conflicts and will frantically adhere to the strategy of directing its aggressive spearhead at small countries and independent nations.

The new U.S. military strategy viciously aims to accelerate preparations for a new large-scale war premised on military confrontation between large countries, which the U.S. authorities talked about, instead of excluding such a confrontation.

Although the Warsaw Pact no longer exists in Europe and only NATO remains, the United States is not going to disband NATO nor weaken it. Rather, it is attempting to strengthen NATO and expand its activities.

The statement of the NATO Military Committee that NATO will intensify its mobile strike forces so that they can enter a war anywhere, from icy mountains in the north to southeastern Turkey, is very suggestive. No one can be sure that NATO activities will not infringe on other areas beyond Europe.

The United States is still maintaining the level of $300 billion in annual military expenditure for war preparations and is accelerating the qualitative and quantitative increase of nuclear weapons and preparations for the so-called Star Wars.

Although the United States is talking about disarmament, it is not considering any practical reduction. This shows that the United States is constantly pursuing the cold war policy, a new antisocialist military confrontation policy.

The U.S. imperialists' theory of a new global order and new military strategy indicates that their bellicose nature has become more cunning and more vicious.

The United States is pursuing an expansionist policy more arrogantly than ever before. Because of this, the safety of the world is constantly in danger of being disturbed.

The new U.S. military strategy, together with peaceful transition strategy, cannot but be a threat to the people of socialist countries and new developing countries and to all independent and peace forces.

The spearhead of the U.S. imperialists' new military strategy is being acutely directed at Asian areas, Korea in particular. The U.S. defense secretary said that continued deployment of U.S. troops in forward areas in the Asian-Pacific region, including South Korea, is the long-term U.S. military strategy for this area. Solomon, U.S. assistant defense secretary [as heard] said that the U.S. Armed Forces deployed in forward areas in South Korea are the United States' strategic stronghold in Asia.

Webster, former director of the U.S. Central Intelligence Agency, said that the place with greatest possibility of local conflict is Korea.

It is a common view among the U.S. reactionary ruling class that the next conflict will be on the Korean peninsula after the Gulf situation. The U.S. imperialists are scheming to start a new Korean war, using local conflict as a pretext.

The United States is not interested in a relaxation of tensions on the Korean peninsula nor in a solution to the Korean question but is repeatedly staging provocative military exercises. It is blocking the improvement of North-South relations and repeatedly making antirepublic threats and menacing commotions while talking about someone's development of nuclear weapons, which do not exist. All of these are U.S. attempts.

The U.S. imperialists' occupation of South Korea and the new U.S. military strategy are the very source of threats to peace in Korea and are blocking the independent and peaceful reunification of our fatherland.

Forcing the U.S. troops to withdraw from South Korea, taking the nuclear weapons, and turning the Korean peninsula into a nuclear-free peace zone are of great significance in crushing the U.S. ambition for establishing a new global order.

If the Korean peninsula is turned into a nuclear-free peace zone, one of the most dangerous sources of nuclear war will be removed and a breakthrough will be made in the new military strategy for the establishment of a new global order. This will greatly contribute to maintaining peace of the world.

In firm unity, the revolutionary people of the world should not tolerate the U.S. imperialists' tyranny but should rise in the struggle to crush their dominationist ambition.

U.S., ROK 11 Sep Military Exercises Reported

SK1309045191 Pyongyang KCNA in English
0415 GMT 13 Sep 91

[Text] Pyongyang September 13 (KCNA)—The U.S. Pacific Air Force command staged criminal aerial nuclear strike exercises on September 11 in the skies above Oeyon Islet and Kunwi area with the mobilization of fighter-bombers, electronic jamming planes and tanker planes such as F-16, EA-6 and KC-135 based in Japan proper and the Pacific with the support of fighter-bombers belonging to the U.S. Air Force stationed in South Korea, according to military sources. The exercises were aimed at increasing the capability of making surprise attacks in succession on targets in the strategical depths of the northern half of Korea.

On the same day, the U.S. Pacific Navy command let formations of Pacific-based VTOL [vertical takeoff and landing] assault planes fly above South Korea in a joint ground strike exercise in coordination with formations of more than 100 fighter-bombers, assault planes and observation planes belonging to the U.S. Seventh Air Force and the South Korean puppet air force.

In separate action, the South Korean puppets staged various war games near the Military Demarcation Line [MDL], aggravating the situation.

On the 11th, 105-mm artillery groups of the puppet army deployed in positions near Chukhyon-ri, Paju County, and Sohwa-ri, Inje County, fired a volley of 30-odd shells toward the MDL to incite a war fever. Earlier, on the 9th, some 60 armed bandits of the puppet army deployed 90-mm recoilless guns in trenches on a nameless height west of Kangso-ri, Yonchon County, and took a gesture of firing toward our side to threaten us.

On the 11th, a formation of UH-1 helicopters belonging to the puppet air force were brought above the area of Hyongari, Yonchon County, to make an ultra-low altitude flight toward Mt. Yawol north of Majon-ri of the same county, getting on our nerves.

Warplanes mobilized in various war games above South Korea on Sept. 11 totaled more than 690.

Commentator Views 'War Provocations' in South

SK1309040391 Pyongyang Korean Central Broadcasting Network in Korean 1150 GMT 5 Sep 91

[Commentary by station commentator Chong Pong-kil: "War Plot To Accelerate Preparation for Northward Invasion"]

Recently, the South Korean puppets have been more maliciously accelerating maneuvers to commit new war provocations. According to a report, the puppet Defense Ministry plans to hold the so-called '91 Mugunghwa meeting at the Korean Military Academy from 4 to 25 September to hear from commanders of every military service about the major defense policy and strategic tasks and to reflect their opinions in developing its policy. At this meeting with the participation of the puppet Army generals, they will discuss such issues as the defense posture, the direction of development of the military relations between South Korea and the United States, North-South talks, and the armaments issue.

This is a warmaniacs' plot to accelerate a war preparation for a northward invasion. This is also a malicious plot challenging our people and the world's peace-loving people who unanimously want Korea's peace and peaceful reunification.

The puppets have planned to discuss at the meeting the defense posture and the direction of the development of military relations between South Korea and the United States. This means that they, ingratiating themselves with the U.S. master, are going to introduce U.S. offensive weapons into South Korea by further accelerating the work of turning it into the U.S. imperialists' colony and military base and nuclear forward base.

As everyone knows, the U.S. imperialists have become very arrogant since the Gulf war. In addition, they, saying that the Korean peninsula is the area where the possibility of conflict is greatest after the Gulf area, have mapped out an adventurous war scenario to conduct a grim battle for 120 days with reinforcements of approximately 200,000 soldiers in the event of war. Thereby, they are positively pushing ahead with the scenario.

It is the South Korean puppets who are the basic subjects in developing a criminal plan for a northward invasion. Thereby, the heads of the puppet military leadership have become a shock brigade to implement the U.S. imperialists' plan for a northward invasion and to design a plot to accelerate war preparations.

Recently, the South Korean puppets signed with the United States a memorandum of understanding to introduce the next generation of fighters into South Korea to arm its air force. They signed this as part of the accelerated war preparations.

In the so-called memorandum of understanding, the U.S. imperialists and the heads of the puppet military leadership have seen to it that the puppet air force will import 120 F-16 fighters from the United States. At first, 12 of the F-16 fighters will be handed over to the puppet air force as finished products. In the second stage, the puppets will import the component parts to assemble and produce them in South Korea. In the final stage, the puppets will produce the remaining fighters in their own capacity in a situation where the United States transfers the technology to South Korea.

The U.S. imperialists and the South Korean puppets' plot to produce F-16 nuclear-capable fighters in South Korea shows their mean nature as nuclear war maniacs. Besides this, the puppets have decided to introduce approximately 80 or 100 offensive helicopters, the Blackhawk, from the United States.

Of the government budget formed with the people's blood and perspiration, the No Tae-u ring has wasted a large sum of money on military expenditures in order to introduce the war means and military facilities needed for a northward invasion. In addition, the No Tae-u ring has largely increased next year's defense budget by 24.6 percent.

All facts clearly show how madly the No Tae-u ring is going in accelerating war preparations for a northward invasion. Moreover, what we cannot overlook is that the heads of the puppet military leadership are mapping out a war plot at a time when new war provocations are increasing in the Military Demarcation Line and near it more than ever before.

Recently, the U.S. imperialists and the No Tae-u ring have conducted a war exercise against us in areas close to the Military Demarcation Line, where the North and the South's huge military forces are confronting each other, thus committing an act of reconnaissance. In addition, they have unhesitatingly committed an extremely dangerous hostile act by firing guns at our side's area.

Even next day [cha-i rae to], the U.S. imperialists conducted an act of an aerial reconnaissance aimed at scrutinizing the strategic targets in the central area of the northern half of the Republic by flying the U-2 high-altitude strategic reconnaissance plane from the skies over the West Sea to the skies over the East Sea for many hours along the Military Demarcation Line.

In August alone, the plane flew over the skies 31 times to conduct aerial reconnaissance. In addition, various reconnaissance planes flew over the skies approximately 230 times to conduct aerial reconnaissance against our side's areas.

It is natural that if clouds gather, it rains. Like this, the war maniacs' war plot is an unusual move. This is because they construct it while largely building up the aggressive military forces in South Korea and successively committing new war provocations in the Military Demarcation Line and near it in order to make an excuse for waging a new war. Many people are concerned about this.

The No Tae-u ring has tried to take the road of war to overcome its government's serious crisis. This is a foolish daydream. Those who enjoy playing with fire are doomed to follow the fate of a tiger moth being attracted to the flame.

It is the firm will of our nation to withdraw the U.S. imperialists' aggressor troops from South Korea and to independently and peacefully reunify the fatherland. In addition, the South Korean people's vigorous spirit for national reunification cannot be blocked under any circumstances.

The No Tae-u ring should correctly see this reality and behave discretely. Also, it should immediately stop designing a reckless war plot and step down from power at once to meet the demand of the people.

Japanese Officials on Recognition of DPRK

SK1309061491 Pyongyang KCNA in English 0444 GMT 13 Sep 91

[Text] Pyongyang September 13 (KCNA)—Japanese newspapers and radios revealed signs within the Japanese Government of examining the question of recognizing the Democratic People's Republic of Korea in connection with the expected decision of the DPRK's entry into the United Nations on September 17.

According to an NHK report, Japanese chief cabinet secretary Misoji Sakamoto told reporters on September 11 that recognizing a state is a matter to be decided on the basis of an overall judgement of the results of the ongoing Japan-DPRK intergovernmental negotiations for the normalization of diplomatic relations and of the tone of international public opinion, although the DPRK's entry into the U.N. and recognition of it by Japan are of different nature. Strict observance of the international treaty and the promotion of friendly relations between the two countries will lead to recognition, he remarked.

Foreign press said that the Japanese Government had already informed the South Korean side that it had been examining the question of recognizing the DPRK and the South Korean authorities showed an "unprecedentedly nervous reaction" to it.

YOMIURI SHIMBUN on September 12 reported that the chief official of the South Korean "Foreign Ministry" asked Japan to take an "extremely serious attitude", talking nonsensically to her embassy in Seoul that the DPRK was "lacking sincerity in the matter of inter-Korean dialogue and nuclear inspection" and that it is "something unexpected" to South Korea that Japan was considering recognition of the DPRK as a state and it "might give a wrong signal to the North side."

MAINICHI SHIMBUN quoted the top brain of the Japanese Foreign Ministry as saying that although the Japanese Foreign Ministry believes it is "a factor of judgement to keep one's promise to the International Atomic Energy Agency" in regard to the relations between nuclear inspection and recognition of a state, it would like to avoid being under diplomatic restraint because of this matter, and it views that "the question of individual treaty cannot be an obstacle to recognition" (Foreign Ministry sources).

NIHON KEIZAI SHIMBUN, commenting on the moves of the Japanese Government to recognize the DPRK, said it seems that the Japanese Government is intending to create the impression that it has been approaching negotiations not from a passive position by recognizing the DPRK since the government's stance toward the Japan-DPRK negotiations is under criticism at home from former Deputy Prime Minister Kanemaru and from chairman of the Social-Democratic Party Tanabe.

Quoting Japanese Foreign Ministry sources, TOKYO SHIMBUN reported that there are views within the government that the DPRK should be recognized as a state at an early date, saying "it will be strange not to recognize the DPRK as a state since it is joining the U.N. through the examination of qualification by the United Nations," and the Japanese Government intends to rule out as much preconditions for recognition as possible not to miss the moment of recognizing the DPRK and secure free options and, on this basis, examine the period of recognition.

Iranian Delegation Head Hosts Reception

SK1309055491 Pyongyang KCNA in English 0424 GMT 13 Sep 91

[Text] Pyongyang September 13 (KCNA)—Head of the Iranian Government delegation Akbar Torkan, minister of defence and armed forces logistics, gave a reception at the Ognyu Restaurant Thursday evening upon concluding their visit to Korea.

Speaking at the reception, Akbar Torkan said that through the visit they saw at first hand the great achievements made by the Korean people under the correct leadership of respected His Excellency President Kim Il-song, adding: Leaders of the Islamic Republic of Iran want the cooperative relations with the DPRK to be developed onto a new higher stage.

The Islamic Republic of Iran supports reunification of the country, the cherished national desire of the Korean people, and the DPRK's stand to join the United Nations as a unified state.

Kim Tal-hyon, vice-premier of the Administration Council and chairman of the External Economy Commission, in his speech, congratulated the Iranian people on their achievements in the struggle for peace in the Persian Gulf region and the prosperity and development of the country, under the correct leadership of esteemed President Akbar Hashemi-Rafsanjani, while strictly adhering to their anti-imperialist, anti-U.S. and anti-Zionist stand.

It is the steadfast policy of our party and the DPRK Government to expand and develop the friendly and cooperative relations with the Iranian people, he said.

Invited to the reception were General of the Korean People's Army Kim Kwang-chin and other officials concerned.

Present there were Hassan Dabir, Iranian ambassador to Korea, and the Iranian delegation which had participated in the seventh Asian ministerial meeting of the Group of 77.

UNESCO Regional Symposium in Pyongyang Ends

SK1309045691 Pyongyang KCNA in English 0421 GMT 13 Sep 91

[Text] Pyongyang September 13 (KCNA)—The sixth sub-regional workshop for training of literacy and continuing education personnel was held here from Aug. 28 to Sept. 12.

The symposium, cosponsored by the UNESCO principal regional office for Asia and Pacific and the DPRK National Committee of UNESCO, was participated in by delegations of Mongolia, China, the Soviet Union and Korea.

There they exchanged achievements and experiences gained by each country in anti-illeteracy and continued education and discussed matters arising in further improving and strengthening the work.

More Foreign Leaders Congratulate Anniversary

SK1209144291

[Editorial Report] Following is a compilation of congratulatory messages received by Kim Il-song, general secretary of the Central Committee of the Workers Party of Korea [WPK] and president of the DPRK, from foreign leaders on the occasion of the 43d anniversary of the founding of the DPRK.

Message dated 2 September and signed by Zine El Abidine Ben Ali, president the Republic of Tunisia: "Taking advantage of this opportunity, I hope that the good friendly and cooperative relations between our two countries will be further developed."

Message dated 6 September and signed by Shahabuddin Ahmed, acting president of the People's Republic of Bangladesh: "I am convinced that the friendship and cooperation between our two countries will further strengthen and develop in keeping with the mutual benefits of the people of our two countries." "I wholeheartedly wish you long life, good health, and happiness for advance and prosperity of the friendly DPRK people."

Message dated 9 September and signed by Major General Juvenal Habyarimana, president of the Republic of Rwanda: "Satisfied with the good friendly and cooperative relations between our two countries, I am firmly convinced that the relations will be further developed in keeping with the interests of the people of our two countries." "Taking advantage of this meaningful opportunity, I wholeheartedly wish you and the friendly Korean people happiness and prosperity." [Pyongyang Korean Central Broadcasting Network in Korean 0800 GMT 10 Sep 91]

Message dated 9 September and signed by Kaysone Phomvihan, president of the Lao People's Democratic Republic: "The brave fraternal Korean people have firmly defended their fatherland and effected a great development and advance in all social fields under the leadership of the WPK with Comrade Kim Il-song as its head, and they have made the DPRK rich and prosperous." "We are very glad that the friendly and cooperative relations between our two parties and two people are continuously developing in keeping with the common interests of the people of our two countries and for peace and stability of Asia and the rest of the world."

Message dated 7 September and signed by Joaquim Alberto Chissano, president of the Republic of Mozambique: "On the occasion of this historical event, the Mozambican people warmly celebrate the success effected by the DPRK in the struggle for the well-being and happiness of the fraternal Korean people." "Taking advantage of this opportunity, I reaffirm to Your Excellency our desire to continue to the friendly and cooperative relations, which have long existed between our two countries and the people."

Message dated 7 September and signed by Muhammad Husni Mubarak, president of the Arab Republic of Egypt: "Take advantage of this opportunity, I express satisfaction with the friendly and cooperative relations between our two friendly people." "We hope that the relations will be further strengthened and developed in all fields in keeping with the cause of mutual interests, world peace, and stability." [Pyongyang Korean Central Broadcasting Network in Korean 1200 GMT 10 Sep 91]

Message dated 9 September and signed by Wee Kim Wee, president of the Republic of Singapore: "Your Excellency, on the occasion of the happy national day of the DPRK, on behalf of the Singapore Government and people, I extend the warmest congratulations and wholehearted greetings to Your Excellency."

Message dated 6 September and signed by Bir Bikram Shah Dev Birendra, king of the Kingdom of Nepal: "Taking advantage of this opportunity, I warmly wish

Your Excellency happiness and wish the DPRK people growth and prosperity." [Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 10 Sep 91]

Message dated 7 September and signed by Hafiz al-Asad, president of the Syrian Arab Republic: "I am convinced that the close friendly and cooperative relations between the two countries will be continuously developed."

Message dated 9 September and signed by Ranasinghe Premadasa, president of Democratic Socialist Republic of Sri Lanka: "I am convinced that the warm friendship, mutual understanding, and close cooperation between our two countries will be continuously strengthened." [Pyongyang Korean Central Broadcasting Network in Korean 1200 GMT 11 Sep 91]

Koreans in PRC Send Letter to Kim Il-song

SK1309105991 Pyongyang KCNA in English 0958 GMT 13 Sep 91

[Text] Pyongyang September 13 (KCNA)—The great leader Marshal Kim Il-song received a letter from the Pomminnyon Headquarters of Koreans in China on the occasion of the 43rd founding anniversary of the Democratic People's Republic of Korea.

Respected leader, you defeated the Japanese imperialists and restored the lost country through a 20 year long arduous revolutionary struggle and founded the Democratic People's Republic of Korea, a genuine power of people, the letter says, and goes on:

The achievements in the socialist revolution and construction since the founding of the Republic, respected leader, are unthinkable apart from your outstanding and tested guidance.

The people of the homeland are now vigorously building socialism of our style which is making a long drive under the uplifted revolutionary banner of chuche, holding you in high esteem under the wise guidance of the dear leader Comrade Kim Chong-il.

There is nothing comparable to our honour and pride of being overseas citizens of the socialist motherland of chuche founded by you the great leader and guided by the dear leader Comrade Kim Chong-il.

We Pomminnyon Headquarters of Koreans in China and members of its affiliated organisations will loyally repay the great solicitude and favors shown to us by you and the dear leader Comrade Kim Chong-il by powerfully arousing the compatriots in China in the movement for national reunification in hearty response to the policy of national reunification set forth by you the great leader.

The letter wishes Marshal Kim Il-song good health and long life.

New Envoys Present Credentials to Kim Il-song

Mongolian Presentation

SK1309065691 Pyongyang Korean Central Broadcasting Network in Korean 1200 GMT 7 Sep 91

[Text] The great leader Comrade Kim Il-song received credentials from the new ambassador extraordinary and plenipotentiary of the Mongolian People's Republic to our country.

On 7 September, D. Gongaadorj, the new ambassador extraordinary and plenipotentiary of the Mongolian People's Republic to our country, presented his credentials to the DPRK president, the great leader Comrade Kim Il-song.

Kang Sok-chu, first vice foreign minister, and an embassy official of the Mongolian People's Republic to our country were on hand at the ceremony to present the credentials.

After receiving the credentials, the great leader Comrade Kim Il-song talked with the ambassador. The great leader Comrade Kim Il-song received a gift from the ambassador.

Egyptian Presentation

SK1309070391 Pyongyang Korean Central Broadcasting Network in Korean 1200 GMT 7 Sep 91

[Text] The great leader Comrade Kim Il-song received credentials from the new ambassador extraordinary and plenipotentiary of the Arab Republic of Egypt to our country.

On 7 September, 'Ali al-Mutawalli Ahmad Hijazi, the new ambassador extraordinary and plenipotentiary of the Arab Republic of Egypt to our country, presented his credentials to the DPRK President, the great leader Comrade Kim Il-song.

Kang Sok-chu, first vice foreign minister, and embassy officials of the Arab Republic of Egypt to our country were on hand at the ceremony to present the credentials.

After receiving the credentials, the great leader Comrade Kim Il-song talked with the ambassador.

Arrest of Student Protesters in South Condemned

SK1309061191 Pyongyang KCNA in English 0433 GMT 13 Sep 91

["Fascist Group Challenging Anti-Nuke and Peace"—KCNA headline]

[Text] Pyongyang September 13 (KCNA)—NODONG SINMUN today comments on the repressive order issued in South Korea to totally "block" and suppress all the anti-U.S. struggle.

This is a token of the flunkeyist treacherous, military fascist nature of the South Korean rulers who have maintained power with the backing of the United States and a grave challenge to the desire and aspiration of the nation for the denuclearization of the Korean Peninsula and the peaceful reunification of the country, says the news analyst, and continues:

It is a signal of another repressive offensive to suppress and stifle the National Council of Student Representatives (Chondaehyop) which is playing the vanguard role in the struggle for independence, democracy and reunification and its righteous, patriotic movement.

The puppets arrested all the Chondaehyop delegates who waged a protest in front of the "South Korea-U.S. Combined Forces Command" on September 5, demanding that the U.S. nuclear weapons in South Korea be opened to the public and withdrawn at once.

Such suppression clearly shows that the "denuclearization declaration" and "nonaggression" and the like noisily advertized by them are a camouflaged ad to deceive and fool public opinion and their real purpose is to realize "unification by prevailing over communism" by means of armed forces in league with the U.S. imperialists.

Student Delegates To Consult at Panmunjom

SK1309105891 Pyongyang KCNA in English
1015 GMT 13 Sep 91

[Text] Pyongyang September 13 (KCNA)—A spokesman of the Korean Students Committee answered the questions raised by a KCNA reporter in connection with the fact that the Student Council of the National Language Course of Konkuk University and the General Student Council of Hanyang University and students of other universities of South Korea offered independent cooperation and exchange to students in the northern half of the country including Kim Il-song University and Kim Chaek University of Technology and the General Student Councils of Yonsei University and Korea University invited students of Kim Il-song University to the "91 Yonko National Liberation Festival".

Fully supporting and welcoming the offer of many universities under the National Council of Student Representatives (Chondaehyop) for independent exchange between students in the North and the South, the spokesman stressed that it is a very just step in smashing the splittists' moves for closed "unified channel of dialogue" and purposefully conducting the reunification movement by pooling the will of youth and students in the North and the South to set up "Pan-National Youth and Students Alliance for Reunification" (Pomchonghaknyon), a centripetal body of unity of the Korean youth and students in the North, the South and abroad and their movement for reunification, and promote independent cooperation and exchange between youth and students in the North and the South under its sponsorship.

He said that the independent cooperation and exchange of youth and students in the North and the South may be frustrated again by the challenge of the splittist forces as Pomchonghaknyon is in the process of being formed, but the road would be opened by ceaseless struggle.

He declared that delegates of the student committees of our relevant universities would be sent to Panmunjom respectively at 3 p.m. on September 18 to consult the question raised by the Student Council of the National Language Course of Konkuk University which is put on the order of the day, at 12:00 on September 17 to consult the question proposed by the General Student Councils of Yonsei and Korea Universities, at 11 a.m. on October 8 to consult the question raised by the General Student Council of Hanyang University even before Pomchonghaknyon is formed to start its work to promote in a unified way the question of independent cooperation and exchange between students in the North and the South.

Politburo Members Attend Anniversary Soiree

SK1309090491 Pyongyang Korean Central
Broadcasting Network in Korean 2200 GMT 9 Sep 91

[Excerpts] On the evening of 9 September, a soiree of working people and youths and students in Pyongyang was held at Kim Il-song Stadium to celebrate the 43d anniversary of the founding of the Republic. [passage omitted]

Comrades O Chin-u, Yi Chong-ok, Pak Song-chol, Choe Kwang, Kye Ung-tae, Chon Pyong-ho, Han Song-yong, Choe Tae-pok, Choe Yong-nim, Hong Si-hak, Kim Chol-man, Kim Pok-sin, Kang Hui-won, Kim Chung-nin, Pak Nam-ki, So Kwan-hui, Hwang Chang-yop, Kim Yun-hyok, Kim Chang-chu, Kim Tal-hyon, Chang Chol; Yang Hyong-sop, chairman of the Supreme People's Assembly; Yi Kye-paek, chairman of the Central Committee of the Korean Social Democratic Party; Chong Sin-hyok, chairman of the Central Committee of the Chondoist Chongu Party; Choe Mun-son, responsible secretary of the party of Pyongyang and chairman of the People's Committee of Pyongyang; and Choe Yong-hae, chairman of the Central Committee of the League of Socialist Working Youth of Korea appeared on the rostrum.

Yi Mal-sang, head of the congratulatory group of Koreans in Japan for the 43d anniversary of the founding of the DPRK, who is vice chairman of the Central Standing Committee of the General Association of Korean Residents in Japan, also appeared on the rostrum.

Delegations and delegates visiting our country to participate in the Seventh Asian Ministerial Meeting of the Group of 77 were invited to the rostrum. [passage omitted]

* Red Flag Neighborhood Unit Drive Vigorous

912C0283A Pyongyang NODONG CHONGNYON
in Korean 11 Jul 91 p 2

[Article by reporter Yu Yong-kil: "Ever-Increasing Ranks of '11 July Red Flag People's Neighborhood Units'"]

[Text] Neighborhood units throughout the country are engaged in a vigorous campaign to win the title of "11

July Red Flag people's neighborhood unit." The number of neighborhood units which have won this title has been growing incessantly.

According to overall tallies, as of 30 June a total of 7,180 or more people's neighborhood units had won the title of "11 July Red Flag people's neighborhood unit."

Through this campaign, great achievements have been made in the work of neighborhood units throughout the country. There has been a great change in the ideological and moral features of local inhabitants as a result of their indoctrination, which as been carried out in a substantive manner to suit the demands of the task of chucheization of the whole society.

While participating in the people's neighborhood work, people throughout the country are fixing their villages and streets neatly and consolidating their own neighborhood units as harmonious and united collectives of mutual help and guidance, large families whose members voluntarily observe public morals, tidiness in life, and order in daily life.

Reflected in this change is the dear leader Comrade Kim Chong-il's warm-hearted solicitude for strengthening people's neighborhood units, the terminal cells of the people's power.

The dear leader Comrade Kim Chong-il visited Hasin-tong, Sosong District, Pyongyang on 11 July 1972. Braving the hot weather, he toured the village looking around neighborhood units and residential homes. At the end of the tour, the dear leader comrade gave the functionaries of the tong [administrative unit at the street or village level] and the heads of the neighborhood units the valuable instructions which would guide them in the work of tong's and neighborhood units.

The dear leader Comrade Kim Chong-il not only showed the directions and methods for improving and developing the tong and neighborhood work to suit the demands of developing reality but also wisely led the struggle to implement them.

The dear leader Comrade Kim Chong-il has taken measures to bring about a new turn in the tong and neighborhood work through a campaign to win the title of "11 July Red Flag tong" or "11 July Red Flag people's neighborhood unit," and has given guidance in expanding this campaign throughout the country.

Indeed, thanks to the dear leader Comrade Kim Chong-il's energetic guidance in the tong and neighborhood work, brilliant fruits are being borne in the task of improving the tong and neighborhood work.

The dear leader Comrade Kim Chong-il pointed out as follows:

"In our country all members of society conduct their daily lives as members of the people's neighborhood units to which they belong; for this reason, the problem of fixing the households well and revolutionizing them, as well as the problem of enabling all members of the neighborhood units to live comfortably, depends on how the work of the neighborhood unit is conducted."

Each provincial administrative and economic guidance committee, upholding the dear leader Comrade Kim Chong-il's desire to improve and strengthen the tong and neighborhood unit work, meticulously planned organizational and political work in order to turn the campaign to win the title of "11 July Red Flag tong" or "11 July Red Flag people's neighborhood unit" into the campaign of the masses themselves.

The functionaries of Pyongyang City administrative and economic guidance committee assigned themselves specific districts and went among the local residents explaining the dear leader's instruction on improving and strengthening the tong and neighborhood unit work, which he gave during his visit to Hasin-tong. By giving priority to this work, the committee was able to stir up the enthusiasm of tong and neighborhood unit functionaries. In addition, the functionaries of the committee made substantive efforts to create a model unit and popularize it, thereby funnelling the heightened enthusiasm of the masses into the task of fanning the flames of the campaign to win the title of "11 July Red Flag tong" or "11 July Red Flag people's neighborhood unit."

Functionaries in South Hamgyong Province, while imbuing the people with the importance of the campaign to win the title of "11 July Red Flag tong" or "11 July Red Flag people's neighborhood unit," are earnestly helping tong functionaries and neighborhood unit chiefs so that they may enhance their role and sense of responsibility. These functionaries have actively contributed to the feat that since the campaign started, 1,800 or more neighborhood units have won the title of "11 July Red Flag people's neighborhood unit."

The North Hamgyong and North Pyongyang provincial administrative and economic guidance committees are also strenuously pushing this campaign. In these provinces, having set the specific goals in the campaign to win the title of "11 July Red Flag tong" or "11 July Red Flag people's neighborhood unit," these committees are giving proper guidance so that these goals may be attained in a manner to prove their worth. Thanks to this guidance, signal successes have been made in various tasks, such as the work of fixing villages or streets and people's neighborhood units and the work of establishing revolutionary systems and order and the socialist way of life among the members of the neighborhood units.

The campaign to win the title of "11 July Red Flag tong" or the title of "11 July people's neighborhood unit" is gathering momentum throughout the country thanks to its validity and invincible vitality.

* River Management Regulations Explained

912C0280A Pyongyang MINJU CHOSON in Korean 4 Jul 91 p 2

[Text] The dear leader Comrade Kim Chong-il pointed out as follows:

"Conducting river management work well is one of the important tasks arising in improving national land management. Only by doing river management work well is it possible to prevent floods and protect the nation's valuable wealth such as the soil, towns, villages, and factories."

Conducting river management well is of great importance in preventing flood damage, protecting the nation's valuable wealth, and making the country more beautiful.

The River Management Regulations consist of four chapters and 34 articles. The Regulations stipulate matters of principle concerning river management, such as riparian projects, the protection of rivers and riparian structures, and supervision and control over river management.

Chapter I stipulates the purposes of the Regulations and the objects of their application.

The purpose of the Regulations is to protect the lives and property of the people and the land and nature against flood damage and use the rivers in a comprehensive and rational manner in order to increase the nation's material wealth and improve the well-being of the people by thoroughly implementing the great leader's instructions and the party's intention on doing river management work well, as well as "The DPRK Land Law" formulated by the respected and beloved leader in person.

Therefore the Regulations are applicable to all agencies, enterprises and cooperative organizations (hereinafter designated as "agencies and enterprises"), as well as all citizens.

The improvement and utilization of rivers, lakes, marshes, and reservoirs and the protection and management of rivers and riparian structures and tide embankments are subject to the Regulations. Rivers as referred to in the Regulations include rivers and rivulets which flow though a ravine or a plain and which are 2 kilometers or more in length; and included in reservoirs are bodies of water enclosed by natural or man-made dikes. Included in riparian structures are structures for the protection and utilization of rivers, and structures for river crossing; and included in lake and reservoir fixtures are the dikes of the lakes and reservoirs and water drainage and intake towers.

The Regulations provide that riparian improvement and maintenance projects will be carried out in a planned and foresighted manner in accordance with the overall national land construction plan and its blueprint. Land management agencies, and organizations and enterprises in charge of riparian projects (hereinafter designated as river management agencies) should always abide by this principle in riparian improvement and maintenance projects. In doing so, profound attention should be paid to effectively utilizing the water of the rivers, lakes and marshes, and reservoirs in hydro power generation, in its industrial, agricultural, and residential use, and in transportation and fresh fish farming.

Carrying out the protection and management of the rivers and embankments as a mass undertaking is one of the important principles concerning river management. All agencies and enterprises should get the workers well acquainted with the great leader's instructions on protecting and taking care of rivers and embankments well, and the embodiment of these instructions, namely, our party's policy, so that they may participate in river and embankment protection and management voluntarily as befitting the master.

Chapter II of the Regulations defines problems relating to riparian improvement projects.

Rivers are classified into large rivers, medium-size rivers, rivulets, and important rivers in accordance with their size and importance. Rivers are managed by their respective river management agencies in accordance with their size and locations.

Local administrative and economic guidance committees and land management agencies annually designate a month-long river improvement period each spring, summer and fall by taking into consideration the natural and geographic characteristics of their respective areas and organize and execute riparian projects in a concentrated manner as a mass drive in close connection with related agencies. In this drive, primary attention should be paid to doing these tasks well: digging the river beds, straightening the river flows, strengthening the enhancements, and planting willow trees and turf.

The Regulations provide that the responsibility for the protection and management of the lakes, marshes, and reservoirs and their reservations, and tide embankments and their fixtures rests with the agencies and enterprises which use them. Agencies concerned should pay particular attention to preventing landslides by building tiers on the sharp slopes around the lakes, marshes, and reservoirs, erecting protective walls, and planting trees so that the soil may not be washed away.

Building riparian structures well is one of the important requirements of river management.

The most important thing in the construction of riparian structures is good designing. Designing agencies should strictly abide by the requirement of the Regulations for obtaining consent on their designs from pertinent organizations and land management agencies.

In addition, when a riparian construction project is completed in a river reservation, a thoroughgoing inspection should be conducted on the accomplished project. The intermediate and final inspections on a construction project should be conducted with the participation of the pertinent organization and land management agency which previously approved the blueprint.

Let all functionaries and workers actively contribute to making our land more beautiful and protecting the nation's valuable wealth by thoroughly observing the aforementioned requirements in riparian improvement.

*Coal Miners Praise Kim Chong-il Guidance

912C0273A Pyongyang NODONG SINMUN in Korean 7 Jul 91 p 3

[Article by reporter An Si-kun: "With a Sense of Responsibility as Supplier of the Staple of Chuche-Oriented Industry: Report on Coal Miners Marking Coal Miners Day in Various Part of the Country"]

[Text] Today is Coal Miners Day, the holiday for the functionaries and workers in the coal industry.

As late as last year our coal miners had no holiday of their own but celebrated Miners Day jointly with other miners. The dear leader Comrade Kim Chong-il, who spares nothing for the coal miners, took note of this fact and showed his immense solicitude by instituting Coal Miners Day separately from Miners Day.

The dear leader Comrade Kim Chong-il designated 7 July as Coal Miners Day in commemoration of the 7 July 1954, on-the-spot guidance given to the 13 June Coal Mine by the great leader Comrade Kim Il-song.

Today, as they greet Coal Miners Day, instituted by the party, in a significant way, our coal miners in various parts of the country are expressing their warmest gratitude to the great leader and our glorious party—the leader who has shown them immense love and benevolence leading them by the hand at each step on the way to victory.

Our coal industry has put on a new face as an ever-victorious chuche-oriented industry, as a reliable raw material and fuel base of the country, and this radical change is wholly attributed to the sagacious leadership of the great leader and our party.

The great leader Comrade Kim Il-song taught as follows:

"Coal is the food for our country's chuche-oriented industry, and increasing coal production quickly is the opening for the successful accomplishment of all economic tasks."

The great leader and the dear leader Comrade Kim Chong-il have shown the clear directions and methods for the coal industry to follow in each period and at each stage of development of the revolution while showing great love and solicitude for our miners.

In the period of the anti-Japanese revolutionary struggle, the great leader mulled over the long-range vision of building a rich and powerful nation by developing the abundant underground resources of our land, which is blessed with natural beauty, and providing an independent and creative life for our people. Ever since liberation, he has always clearly shown the directions and methods for our coal industry to follow. The great leader lucidly clarified all problems arising in developing and strengthening the coal industry in a chuche-oriented manner, problems such as giving priority to geological survey, bringing tunneling ahead of coal cutting, and realizing an overall mechanization of gallery work.

The dear leader Comrade Kim Chong-il, who has been brilliantly implementing the great leader's farsighted vision, has paid constant attention to the development of the coal industry, stressing that increasing coal production is one of the most important problems in achieving an overall development of the nation's economy.

As a result, our miners have become masters of efficient up-to-date plant machinery, and an overall mechanization of gallery operation has been brilliantly accomplished. In particular, for the purpose of consolidating the material and technological foundations of the coal mines, our party took wise measures for having the whole party, the whole country, and all of the people vigorously support the coal mines. Under the energetic guidance of the party, the material and technological foundations of the coal mines in the Anju, Sunchon, Kaechon, Tokchon, and Kangdong and some other areas have been consolidated so remarkably that they have put on a new face as leading collieries.

Stating that there should not be even the slightest inconvenience to the coal miners working at the blind ends of each gallery, the dear leader Comrade Kim Chong-il had all necessary equipment in the blind end of each gallery, including small tools, fully delivered to them and looked after each and every aspect of their living. The dear leader made the coal miners working at the blind ends of the underground galleries receive treatment equal to that of pilots and also took prudent measures to build modern housing in coal mines.

If we were to describe all the love and solicitude of the party for the miners, there would really be no end to it. As they greet Coal Miners Day in a significant way, our miners in various parts of the country are striving to further increase coal production, with the memories of the infinite love and solicitude of the great leader and the dear leader Comrade Kim Chong-il for them cherished deep in their hearts.

The coal miners of the Kaechon District Coal Mining Complex, including those of Sillip, Sinsong, and Wonri coal mines, who by far overfulfilled their June and first half-year coal production plans, are energetically moving forward, bringing tunneling ahead of coal cutting. By taking minute care of party-supplied modern coal cutters, they are operating them at full capacity. The coal miners under the South Hamgyong Provincial General Bureau of Coal Industry, including those of Kumya Youth Coal Mine and Kowon Coal Mine, who overfulfilled their June plans by 20 percent, are sharply increasing coal production by giving priority to tunneling and earth removing after having introduced a number of technical innovation plans.

The miners of the Anju and Tokchon district coal mining complexes produced much high-performance tunneling equipment by themselves, and the miners of Sunchon, Kangdong, and Kangso district coal mining complexes have solved transportation problems in a satisfactory manner by building many fine belt-conveyors and coal cars, thereby increasing coal production.

Today, our coal miners are marking Coal Miners Day in various parts of the country with a fervent determination to pile up the heaps of coal still higher by forever upholding the sagacious leadership of the great leader and the dear leader Comrade Kim Chong-il in the future as in the past.

KCNA Reviews 13 Sep Pyongyang Press

SK1309064791 Pyongyang KCNA in English 0453 GMT 13 Sep 91

[Press review]

[Text] Pyongyang September 13 (KCNA)—Papers here today frontpage a photo-accompanied report that the great leader President Kim Il-song received the Namibian Government delegation headed by Prime Minister Hage Geingob.

Printed in the press are messages of greetings to President Kim Il-song of the Democratic People's Republic of Korea from foreign party and state leaders on the occasion of the 43rd founding anniversary of the DPRK.

Appearing in NODONG SINMUN is a letter to President Kim Il-song from the headquarters of Koreans in China of the pan-national alliance for the country's reunification on the national day.

"Young Men and Women, Be the Young Vanguard Unfailingly Loyal to the Party and the Leader," a work of dear Comrade Kim Chong-il, was reported in different countries, says the paper.

The paper introduces the activities of the South Korean young people to follow Comrade Kim Chong-il, holding him in high esteem as the lodestar of reunification.

A message of greetings sent by the C.C., the Workers' Party of Korea to the National Executive Committee of the Democratic Action Party of Venezuela on the occasion of the 50th founding anniversary of the party is carried in the paper.

Papers give accounts of the closure of the seventh Asian ministerial meeting of the Group of 77, the sojourn in Pyongyang of the participants in the meeting and the sixth sub-regional workshop for training of literacy and continuing education personnel.

Spotlighted in NODONG SINMUN is news that party members and other working people in South Hamgyong Province are effecting a new upswing in all fields of the national economy to implement the on-the-spot teachings of President Kim Il-song and new effective multipurpose rice thrashing machines are mass-produced.

The fourth national drama festival was held, says the press.

It is reported in the press that representatives of the King of Nepal paid a congratulatory call at the DPRK Embassy in Kathmandu on the occasion of the 43rd founding anniversary of the DPRK, the general secretary of the National Council of the Communist Party of India and the prime minister of the transitional government of the Congo met with the DPRK ambassadors to their countries.

NODONG SINMUN says that a bulletin was published in Ghana on the occasion of the 43rd founding anniversary of the DPRK.

According to the paper, the head of the Iranian Government delegation gave a reception upon the conclusion of his visit to Korea.

Conspicuous in the paper is news of the sojourn in Pyongyang of the Namibian Government delegation.

NODONG SINMUN informs the readers that Pak Song-hui and Song Yong-sung, delegates of the South Korean National Council of Student Representatives (Chondaehyop), met with Kim Hui-won, who was former chairman of the Kangwon Provincial District branch of the "Reunification Democratic Party" and Central Presidium member of the "Democratic Liberal Party" of South Korea before settling down in Pyongyang.

In a commentary, NODONG SINMUN accuses the No Tae-u ruling group of attempting to "totally block" and suppress the anti-U.S. struggle in South Korea.

South Korean news columns of the press include reports that students of Pusan National University held an anti-"government" rally before staging a demonstration and the New Democratic Party and the Democratic Party merged.

The press reports that the U.S. imperialists and the South Korean puppets staged a provocative attack operation exercise.

NODONG SINMUN and MINJU CHOSON come out with articles under the respective titles "'Chondaehyop' Taking the Van in Struggle for Independence, Democracy and Reunification" and "South Korean Puppet Regime Is Anti-Reunification, Splittist 'Regime'".

Conveyed in the press is news that the 43rd anniversary of the foundation of the DPRK was observed in different countries.

NODONG SINMUN carries a report that an open forum for the normalization of Japan-DPRK diplomatic relations was held in Tokyo.

Papers report that the Chinese leading officials met with the Singapore president.

It is reported in NODONG SINMUN that books on Japan's aggression of China were brought out in China, the Cuban young people reaffirmed their support to the Communist Party, Yasir 'Arafat demanded that the Israeli troops withdraw from the occupied Arab territories, and the general secretary of the African National Congress of South Africa called for the establishment of a transitional national unified government.

The paper runs an article denouncing the U.S. deceptive "nuclear umbrella" doctrine.

"U.S. Imperialists' Invariable Wild Ambition for World Supremacy" is the title of a MINJU CHOSON article.

South Korea

Former Kim Il-song Interpreter Defects to South

SK1309100791 Seoul KBS-1 Radio Network in Korean 0900 GMT 13 Sep 91

[Text] A North Korean diplomat has defected to the ROK. The Agency for National Security Planning [NSP] announced today that Ko Yong-hwan, a first secretary at the North Korean Embassy in the Congo, defected to our government last May.

Ko Yong-hwan, 38, was graduated from the French Department of Pyongyang University of Foreign Languages and joined the North Korean Foreign Ministry. He worked at the North Korean Embassy in Zaire in 1988 and at the North Korean Embassy in the Congo since last year.

The NSP said Mr. Ko Yong-hwan was a confidant to North Korean Foreign Minister Kim Yong-nam and a capable diplomat who used to interpret for Kim Il-song, Kim Chong-il, and other North Korean leaders whenever foreign heads of state or high-ranking officials visited North Korea.

The NSP also said that he had asked the agency to withhold the announcement on his defection because of his family's safety. As a result, the announcement had been delayed. However, the NSP said, he recently changed his mind and, thus, today gave a news conference.

During the news conference at Seoul's Press Center, Mr. Ko Yong-hwan said that, disillusioned with North Korea's internal situation and its gradual isolation in the international community, he left the North Korean Embassy in the Congo last March and in May defected to the ROK through a third country.

Mr. Ko Yong-hwan said: North Korea may possibly open its doors. However, it is planning to do so by strengthening the leadership of the party, whose counterpart in the Soviet Union, its suzerain state, is on the point of disbanding. Therefore, there is no hope.

Asked if North Korea would accept nuclear inspection, Mr. Ko Yong-hwan said: North Korea decided to possess nuclear weapons in the late 1950's and has trained nuclear experts since then. North Korea's main objective is not to open up for nuclear inspection, but to hold out for two or three years to get U.S. troops out of South Korea.

Regarding North Korea's decision to enter the United Nations, Mr. Ko said: North Korea's original plan was to do nothing, even when South Korea enters the United Nations first; to insist that South Korea is responsible for North-South division; and to probe ways for UN admission later. This plan changed when Chinese Premier Li Peng visited Pyongyang last March.

Reveals Nuclear, Succession Policies

SK1309110891 Seoul YONHAP in English 1053 GMT 13 Sep 91

[Text] Seoul, Sept. 13 (OANA-YONHAP)—A senior North Korean diplomat who defected to Seoul in May, said Friday the North would seek open-door policies patterned after China.

Ko Yong-hwan, 38, told a press conference about four months after his defection, that financial difficulties would prompt the North to open its door and it would not take more than five years. The extent of the opening would depend on internal situations, he said.

Ko is the first known diplomat ever to defect to the capitalist South since 1948. He acted as an interpreter for North Korean President Kim Il-song and a first secretary at the North Korean Embassy in the Congo just before his defection through an unknown third country in Africa.

"The North ruled that Soviet glasnost went wrong, so it decided to follow the Chinese model. But there were also doubts about whether the Chinese style would be suitable for the North which has different problems at home and abroad," he said.

While in the Congo, he heard from diplomatic sources that the North was 2-3 years away from possessing its own nuclear weapons. The North has developed nuclear weapons on the belief that nuclear armament is the last card to play to keep its system intact, he claimed.

He said there are a nuclear reprocessing facility in Yongbyon, some 90 kilometers north of Pyongyang, subterranean nuclear installations in Pakchon, North Pyongan Province, and a uranium mine in Pyongsan.

Ko is the first North Korean diplomat to confirm the presence of other nuclear facilities outside of much-publicized Yongbyon.

"The North seems to be keen on delaying in allowing full-scope international inspection of its nulcear installations to earn time needed for its development of nuclear weapons," he said.

Touching on reported North Korean plan for transfer of power from President Kim Il-song to Kim Chong-il, his eldest son and heir- apparent, he said it is likely to take place in October, 1993.

He said it was unlikely that Pyongyang would be able to hold such costly events as the Seventh Workers' Party Congress and Kim Il- song's 80th birthday ceremony in one year. Kim becomes 80 years old next year.

"Therefore, the power transfer is likely to take place in 1993, if any," he predicted.

"North Korean foreign policies are currently directed to an effort to avert Seoul-Beijing ties which the North Korean elite leaders fear will be likely within the first half of next year," Ko said.

The North also wants to create an international atmosphere advantageous to it and normalize its relations with Japan in search of foreign economic aids.

Last year, when he was in Moscow on business, he was told by one of his collegues that Kim Chong-il had ordered to look into the possibility of supporting the Soviet military elites who were opposed to President Mikhail Gorbachev's reforms policy, Ko said.

"The diplomatic tie-up in September last year between South Korea and the Soviet Union estranged Pyongyang from Moscow. It prompted the North to tilt toward China but growing amicable relationship between Seoul and Beijing has made North Korean leaders embarassed," he said.

The North vowed to join the United Nations out of its recognition that it could be recognized as a soverign state upon its admission to the world body, Ko said.

"But I don't think the North would drop its long-held one-Korea policy," he said.

Yeltsin May Visit To Discuss Separate Aid

SK1309015091 Seoul YONHAP in English 0058 GMT 13 Sep 91

[Text] Seoul, Sept. 13 (OANA-YONHAP)—Russian Republic President Boris Yeltsin may visit South Korea in November and discuss separate economic aid package from the 3 billion U.S. dollar deal between Seoul and Moscow, Foreign Ministry officials said Friday.

Andrey Kozyrev, foreign minister of the Russian Republic, met with the South Korean Government delegation Thursday and said his president may visit Seoul sometime in November after internal situation subsides.

Government officials, led by Assistant Foreign Minister for Political Affairs Chang Man-sun, are visiting the Soviet Union. They are due back here Saturday.

Yeltsin is also sending a personal letter to South Korean President No Tae-u to thank him for his support during a coup last month.

Kozyrev suggested that the two sides discuss possible economic aid package separate from the one already agreed on between Seoul and Moscow, mainly tied or bank loans, Ministry officials said.

South Korea, after normalizing ties with the Soviet Union in September last year, agreed on a 3 billion-dollar economic aid program.

Yeltsin Letter Hopes for Cooperation

SK1309090391 Seoul YONHAP in English 0848 GMT 13 Sep 91

[Text] Seoul, Sept. 13 (YONHAP)—Russian President Boris Yeltsin has said he hopes for direct cooperation between South Korea and his republic in a letter addressed to President No Tae-u.

Yeltsin's letter expressed gratitude for Seoul's support to the Soviet leaders during a recent anti-reform coup in Moscow and said he expected bilateral relations between South Korea and the Russian Federation to develop briskly on the basis of cooperation between their peoples.

Delivered Thursday to a Korean Government delegation visiting the Soviet Union, it expressed his hope to visit Seoul but did not specify a date.

The delegation has reported to the government that Yeltsin hoped to visit in November.

Koreans Seek Autonomous Area in Soviet Far East

SK1309054791 Seoul YONHAP in English 0514 GMT 13 Sep 91

[Text] Seoul, Sept. 13 (YONHAP)—An association of Soviet Koreans is consulting the Russian Government on establishing an autonomous district in Khasan, near the Soviet far eastern port of Vladivostok, a participant in the second world Korean ethnics sports festival said Friday.

Mikhail Pak, 77, leader of the Soviet team, said the association will take formal procedures soon for the projected autonomous district to bring together some 450,000 ethnic Koreans scattered around the Soviet Union.

Most ethnic Koreans emigrated to Khasan some 120 years ago and lived there before being taken forcibly to central Asia in 1937 and the district has been deserted ever since, he said.

Pak, president of the association and a professor at Moscow University, said he found virtually no problem in obtaining a permit because the Russian Government plans to develop the area.

The association will initiate a committee soon and Yevgeniy Kim, a representative to the Russian parliament, will be chairman, he said.

Kazakh Businessmen Arrive in Seoul 13 Sep

SK1309084791 Seoul YONHAP in English 0757 GMT 13 Sep 91

[Text] Seoul, Sept. 13 (YONHAP)—A 17-member delegation of businessmen from the Soviet Republic of Kazakh arrived in Seoul on Friday at the invitation of the Institute for Korean-Soviet Studies.

The visitors are led by Aueskhan Kyrbsov, head of the Kazakh Chamber of Commerce and Industry.

The delegation is to visit the Korea Chamber of Commerce and Industry, Panwol industrial complex, Tongdaemun market, Yongin folk village and Olympic Park before leaving Sept. 20.

The tour was arranged in return for the Kazakh Government's inviting 15 Korean businessmen in May.

Soviet Firm To Transfer Gas Making Method

SK1309033791 Seoul YONHAP in English 0206 GMT 13 Sep 91

[Text] Seoul, Sept. 13 (YONHAP)—Samsung Engineering has established a technical tie-up with Soviet Giap to introduce synthetic gas manufacturing know-how, business sources said Friday.

The know-how the South Korean engineering firm bought from the Soviet company concerns the method of manufacturing synthetic gas by turning natural gas or naphtha into steam. The new know-how is reportedly far more cost efficient in energy and raw materials than the conventional method.

Samsung will commercialize the know-how on the home market and in Southeast Asia, according to the sources.

Seoul Set To Sign UN Conventions, Join ILO

SK1309085091 Seoul YONHAP in English 0707 GMT 13 Sep 91

[Text] Seoul, Sept. 13 (OANA-YONHAP)—South Korea plans to sign four U.N. conventions this year and join the International Labor Organization (ILO), the Foreign Ministry said Friday.

Seoul will become a member of the convention on the privileges and immunities, the convention on the rights of the child, the protocol relating to the status of refugees and the convention on the establishment of compensation fund for oil pollution damage.

It will also approve the ILO Charter to become a member of the autonomous agency. A U.N. member is automatically awarded membership in the organization if it accedes to its charter.

Membership in the ILO will require Seoul to pay approximately 450,000 U.S. dollars annually to the organization, according to ministry officials.

North Korea is reportedly planning to join the ILO as well. The U.N. General Assembly is expected to accept the two Koreas as full members when it convenes Sept. 17.

The convention on oil pollution damage will require South Korea's petroleum companies to make payments to the international fund in case they are involved in oil spill accidents.

The government is to take necessary administrative steps during the current regular National Assembly session, including a bill pledging that Korea will abide by the ILO Constitution.

South Korea will join 19 others in the coming years, covering multilateral agreements on prevention of narcotics trafficking, ozone layer and environmental protection and the convention against torture and inhuman treatment or punishment.

Japan's Approach to DPRK Called 'Hasty'

SK1309033591 Seoul THE KOREA TIMES in English 13 Sep 91 p 6

[Editorial: "Hasty Japanese Move on North Korea"]

[Text] Next week South and North Korea are certain to be admitted simultaneously to the United Nations, but Japan is jumping the gun by expressing the intention to recognize North Korea as a state soon after.

Although the Korean government has clearly indicated it does not object to normalization of ties between Japan and North Korea, Japan has been cautioned in the past not to disrupt Seoul's own efforts to improve the relations between the two Koreas. It is in line with this practice that the Korean government has again expressed worry over Tokyo's latest move.

In fact, Tokyo's move is a puzzle, for Japan and North Korea have been already in contact at the official level and have held four rounds of diplomatic talks on normalization of relations, meaning Japan has given "de facto" recognition to the Pyongyang government already. There is no need to hurry the pace now.

Furthermore, the entry into the United Nations does not necessarily guarantee diplomatic recognition of the country by other members of the organization.

Apparently the Korean government is quite worried about the latest Japanese move, renewing its call for Tokyo to be prudent in its plan to recognize North Korea as a state. Not only did the Foreign Ministry call in the deputy chief of mission at the Japanese Embassy here, but the head of the Korean Embassy in Tokyo also visited the Japanese Foreign Ministry to ask for caution.

At the moment Seoul is particularly concerned with North Korea's lukewarm attitude toward inter-Korean dialogue and the signing of a nuclear safeguards accord with the IAEA [International Atomic Energy Agency]. While there is no certain and clear indication of any change by North Korea on establishing of a peaceful environment on the peninsula, any one major power's uncoordinated lone moves will have nothing but harmful effects on the settlement of the long- standing Korean issues. It is more than obvious that North Korea has to be drawn into the international arena, and we want to see Pyongyang and Tokyo agree on diplomatic normalization, as this may in turn help North Korea to normalize its relations with even the United States. At the same time, it will also then help the Seoul government in establishing normal diplomatic relations with China.

All these developments are very closely interrelated and the pace of diplomatic efforts must be carefully coordinated among those concerned in order for them to have their maximum effect.

We know North Korea badly wants to establish ties with Japan as soon as possible, seeking a shot in the arm to boost the disordered national economy. But there is no reason why Japan has to ride along with the cunning North Korea, and worry already irritated Seoul.

It has to be kept in mind what North Korea has not done to this day, and that is renounce their most consistent and belligerent cold war policy of the armed recovery of the southern half of the peninsula. And from all other evidence known to the outside world, it is not clear that anything in North Korea has changed and that it is willing to accommodate those revolutionary changes occurring in most former communist countries.

However, in this most delicate stage of negotiations on diplomatic ties, Japan seems to be more eager to accommodate North Korea's needs than to keep in step with the pace set by other countries. We would like Japan to make sure that it does not allow North Korea to use any economic benefits it gains from the outside world for military purposes contrary to the wishes of the rest of the world.

Although some who know Japan well say the way it has behaved on the issue is not surprising in view of its dubious past record in international diplomacy, this sort of diplomatic maneuvering may even prolong the division of the peninsula. Hopefully this is not the intention of Japan.

Japan Says North Stance on IAEA 'Regrettable'

SK1309030691 Seoul YONHAP in English 0229 GMT 13 Sep 91

[Text] Tokyo, Sept. 13 (YONHAP)—North Korea's refusal to sign the International Atomic Energy Agency (IAEA) accord on nuclear safeguards has disappointed Japan and is likely to gravely affect its move to recognize the communist country, Foreign Ministry sources said Friday.

The sources said their government had planned "an implied recognition" of North Korea after its admission into the United Nations on Sept. 17, assuming the country would sign the IAEA accord.

North Korea said Thursday it would not sign the agreement to allow international inspection of its nuclear facilities unless the United States pulled out its nuclear weapons from South Korea.

"The question of signing a nuclear safeguards agreement cannot be solved as long as the nuclear threat to our country by the United States persists," a North Korean spokesman told journalists at the IAEA Board of Governors' meeting in Vienna.

Both South Korea and the United States maintain the neither-confirm-nor-deny policy regarding the presence of nuclear weapons in South Korea. North Korea argues the U.S. forces in South Korea have nuclear arsenal.

"Such an attitude is regrettable. It will be practically difficult for our government to recognize North Korea if it does not sign the safeguards agreement," one of the Foreign Ministry sources said.

The source said the latest refusal would also affect normalization talks between Japan and North Korea.

Tokyo reportedly notified Seoul last week that it would make "an implied recognition" of North Korea after it was admitted to the United Nations next Tuesday alongside South Korea.

Malaysian Ruler Arrives for Five-Day Visit

SK1209120591 Seoul YONHAP in English 1115 GMT 12 Sep 91

[Text] Seoul, Sept. 12 (YONHAP)—Malaysian king Sultan Azlan Shah arrived in Seoul Thursday afternoon for a five-day state visit at the invitation of President No Tae-u.

King Sultan Shah Azlan was received by Prime Minister Chong Won-sik, Foreign Minister Yi Sang-ok and Government Administration Minister Yi Yon-taek upon his arrival at Seoul airport.

The Malaysian king will have talks with No on Friday to discuss matters of common interest. The two leaders are expected to express their satisfaction at the progress of the economic cooperation between the two countries.

Korean officials expect the Malaysian king's visit to be an opportunity to expand bilateral relations and joint efforts for regional cooperation in the asian and pacific region.

Closer Cooperation Pledged

SK1309034091 Seoul YONHAP in English 0234 GMT 13 Sep 91

[Text] Seoul, Sept. 13 (YONHAP)—South Korean President No Tae-u and Malaysian King Sultan Azlan Shah pledged Friday to upgrade bilateral cooperation for security and prosperity in Asia and the Pacific, Korean officials said.

In their summit talks at Chongwadae, the presidential office, No noted with satisfaction that economic exchange between the two countries grew from 1 billion U.S. dollars in 1983 to 2.3 billion dollars in 1990 and stressed Korea's role as an economic partner of the Association of Southeast Asian Nations (ASEAN) in which Malaysia is a member, the officials said.

Affirming the king's visit to Seoul would provide an important juncture for promotion of friendly and cooperative relations between the two countries, No expressed the hope that the two countries would closely cooperate for the regional security and prosperity.

Azlan Shah said Malaysia supported South Korea's efforts to settle peace in northeast Asia in the midst of the dramatic changes sweeping the Soviet Union and other parts of the world.

The king arrived in Seoul Thursday for a four-day state visit reciprocating No's visit to Kuala Lumpur in November 1988.

At the start of their talks, No decorated the royal couple with Grand Orders of Mugunghwa.

In an official ceremony welcoming the King on Chongwadae lawn earlier in the morning, No hailed Malaysia for making increasing contributions toward international community and thanked for Kuala Lumpur's support for Seoul in international arena.

"Owing to Malaysia's active support, Korea has become a full dialogue partner of the Association of Southeast Asian Nations and we benefited from your strong voice in our entry into the United Nations.

"As leading members of the Asia-Pacific economic cooperation, our two countries continue to endeavor for the promotion of peace and prosperity of this region," No said.

The king said Malaysia was learning Korean experience in economic development.

"On our part we have embarked on a policy of learning from the economic and industrial development of your country, in particular from the exemplary work ethics of your people as a workforce in the modern industries.

"In our visit, we shall reaffirm our trust and faith in each other as fellow Asian countries who share a common task of creating a peaceful and prosperous region," the king said.

Seoul and Kuala Lumpur established diplomatic relations in 1960 . The bilateral trade volume amounted to 2.3 billion U.S. dollars last year and Malaysia is an important supplier of crude oil, rubber, tin, and other raw materials to Korea.

* North Increases Economic Cooperation

912C0249A Seoul MAL in Korean
Jun 91 pp 50-54

[Article by Yi Chan-haeng, research analyst at the Hangyore Social Research Center: "North Korea's Overseas Economic Policy and Joint-Venture Business"]

[Text] **North Korea's Effort To Win Economic Cooperation With Neighbors**

There are a variety of domestic researchers and citizens who have, through their work, determined that North Korea has recently increased economic diplomacy with its Asian neighbors and there is a possibility that this change signals a significant transition in its economic policies. There is more interest on the part of several researchers who have concluded that "even though this move is superficial, North Korea has given serious thought to changing its publicly stated policy of self-sufficiency because of its current serious economic conditions and the significant changes in the political and economic climates of countries surrounding North Korea." The current direction in which the North Koreans are heading has clearly shown that they have organized their economic system to make steady progress in the future. The main topic of this article concerns North Korean joint-venture businesses with companies from capitalist countries and how they use economic diplomacy to gain access to foreign businesses.

In the foreign policy section of a speech that North Korean leader Kim Il-song delivered on New Year's Day, he stated that there would be a consolidation of diplomatic efforts in Southeast Asia to emphasize North Korea's cooperation with its Asian neighbors. For the first time Kim showed that he realized the importance of other Asian countries to North Korea by concentrating on improving diplomatic relations with them. He made it clear in his New Year's speech that in the future he would follow a foreign policy that centered on Asia by "continuing to adhere resolutely to a foreign policy of independence, peace, and goodwill; striving to destroy the old international order of domination and subjugation and establish a new international order based on independence; making positive efforts to develop South-South cooperation in the fields of politics, economics, and culture on the principle of collective self-reliance."

"Currently, Asia has taken steps toward a new stage of development. If the Asian countries cooperate closely and stand together on the principles of independence, equality, and mutual benefit, the diligent and talented Asian people can achieve the security and common prosperity of Asia and contribute to the great cause of world peace. The government of the republic will actively develop relations of friendship and cooperation with all Asian people in order to build a new, independent and peaceful Asia."

One interesting aspect of Kim's speech is that he did not single out socialist or nonaligned nations and, instead, included them all together under the term "Asian nations." This is because the relationship between North Korea and Japan has made rapid progress since last fall and an improvement in relations with Japan seems to be an important part of North Korea's foreign policy. The North Koreans have adjusted their foreign policy toward the center in order to compromise and improve local diplomatic relations and the international balance. In this regard, North Korea maintains diplomatic relations with socialist China and has reinforced friendly relations and economic cooperation with traditional socialist countries such as Vietnam and Laos. It also seems that they intend to turn toward diplomatic relations with capitalist nations such as Japan and members of the Association of Southeast Asian Nations (ASEAN) which includes Taiwan, Australia, Thailand, Indonesia, Malaysia and Singapore.

North Korea's diplomatic relations with ASEAN and the demonstration of a willingness to deal with non-socialist countries began last year during Vice Foreign Minister Cha Pong-chu's trip to Malaysia, Singapore, Thailand and Indonesia from 25 April to 18 May. In November of last year O Chin-u, minister of the People's Armed Forces, visited Taiwan. In addition, during the first part of this year Yon Hyong-muk, premier of the State Administration Council, visited Thailand, Indonesia and Malaysia for discussions related to an increase in trade and an expansion of economic exchanges.

More Serious Trade and Economic Cooperation With ASEAN

As a result of Premier Yon Hyong-muk's visit, the first in nine years, North Korea and Thailand agreed that they would raise the status of their respective trade offices to the level of embassies, and this is an indication of the full scale improvement in their relations. During a 30 January meeting with the Taiwanese premier, Premier Yon revealed an import plan that started with 500,000 tons of rice this year and 1 million tons of rice in the next two to three years, and 500,000 tons of tapioca and domestic animal feed. Again, he demonstrated a strong desire for joint ventures with Thailand in the field of tungsten mining and, in addition, selling 300,000-400,000 tons of cement this year in order to relieve a shortage of cement in Thailand. In the last five years, trade between the two countries averaged $23,650,000 and in the next five years this figure is expected to increase to a yearly average of $90 million.

Indonesian Vice President Sudharmono's invitation to Premier Yon was the first to a North Korean state official since Premier Yi Chong-ok's visit nine years ago, in February 1982. President Suharto and Premier Yon signed a new joint economic agreement to extend established trade contracts and North Korea was especially interested in the creation of joint-venture companies in the fields of machine and tool production. Last year, trade between the two countries was $44 million and this figure is expected to increase in the future.

Premier Yon also showed great interest in the expansion of trade with Malaysia. During his visit Premier Yon voiced his support for a proposal made by Malaysian Premier Mahathir for the estblishment of a Southeast Asia trade market to counter economic blocks created in West Europe and North America, and the ASEAN proposal to establish Southeast Asia as an area of peace, neutrality and a nuclear-free zone. This visit also presented an opportunity to increase trade from its $11,130,000 level.

After January 20th, North Korea began issuing visas to citizens of Hong Kong, Taiwan, and Macao through a joint-venture travel agency with Macao; economic, educational and press groups and Chang Shih-liang, a member of the Taiwanese Nationalist Party, have all visited North Korea.

The importance North Korea places on its policy of increased diplomacy with Asian nations was caused by the deterioration of its relationship with the Soviet Union resulting from the establishment of diplomatic ties between the USSR and South Korea. At this point, North Korea does not enjoy a smooth economic and diplomatic exchange with other socialist nations and, as a result, it has established a practical foreign policy designed to use the North Korean economy as a lure to foreign capital investment and increased economic cooperation.

The Early Stages of Movement Toward a Special Economic Zone

The creation of a "special economic zone" is an interesting topic since it is related to North Korean attempts to establish joint ventures and the likelihood of openings in the economic sector. Several researchers have predicted the possibility of North Korea creating a special economic zone earlier than expected, taking into account North Korea's internal and external diplomatic circumstances.

There are strong indications that North Korea explored the possibility of creating this zone during Premier Yon's visit to China last November. Premier Yon was the first North Korean premier to visit the Shenzhen Special Economic Zone in Guangdong Province. When the special economic zone was first established high-ranking North Korean officials visited frequently, but after 1985 it received little attention. However, now that an official at the premier level has visited there has been a call for the creation of a North Korean special economic zone which signals a change in policy. After economic-related delegations continued to visit China between 1984 and 1985 there was a clarification of the new economic policy showing a concentration of efforts toward "promoting joint ventures," which was demonstrated by focusing attention on Shenzhen and the visit by Premier Yon.

In February 1984, Kim Yong-nam, the foreign affairs minister, along with other high-ranking officials, began official visits to China's special economic zone in Shenzhen. The delegation spent two days inspecting the electronic machinery center, a port construction facility, and the Shekou industrial area. From 11 June until 3 July 1984 a North Korean economic delegation led by Chong Song-nam, minister of external economic affairs, inspected the special economic zone in China. However, in 1989 the Ministry of Joint Venture Industry was abolished because of "failure to produce good results," even though North Korea showed great interest in this speical economic zone.

In the 1990's the international situation changed and, as a result, there is currently a requirement for a new foreign economic policy which is shown in an improvement in relations between Japan and North Korea, and an effort to promote cooperation with other Asian nations. For this reason Premier Yon's visit to the special economic zone takes on a special meaning.

As a result there is a lot more attention being focused on the development taking place in Khasan in the lower reaches of the Tuman River. Twice, in July 1990 and in January 1991, symposiums were held in China's Jilin Province on the topic of the development of free trade in the area of Khasan on the Tuman River. At the seminar held in July 1990, the main topic was a proposal to develop a free trade zone at Khasan Island, in the border area where North Korea, China and the USSR join. It is known that North Korea supported this proposal. One indication that North Korea intends to implement this proposal will be an increase in construction on the North

Korean side of the Khasan Island area in order to make the necessary improvements that will allow them to take advantage of the semi-special zone facilities. In this regard, the best locations for this type of port are Unggi and Chongjin in North Hamgyong Province. Unggi is a key area along the Tuman River because this is a "golden triangle area." China has made plans to develop Hunchun and the Soviet Union, Pos'yet. The port of Chongjin is located near Unggi and is already developed, so it would also be a logical candidate as a special zone facility.

Recently, after the visit of a Japanese economic delegation, Japanese analysts reported that a member of the North Korean Ministry of External Economic Affairs stated that he believed that the "subject of the establishment of a special economic zone or free trade area is under consideration" and he indicated that this will be located in the northeastern part of the country in the vicinity of the border with China and the Soviet Union. China, the USSR, and Japan are all proposing some form of Northeast Asia economic cooperation organization, therefore, there is a possibility that countries surrounding North Korea will be involved in the creation of a North Korean special zone. North Korea's leaders have frequently emphasized that they are evaluating the reforms taking place in the Soviet Union and in East Europe: "North Korea stands for self-sufficiency, self-determination, the well-being of its people and the predominance of socialism, and as long as this is maintained, North Korea will open itself up to other countries." With this in mind, they intend to "promote diplomatic and economic cooperation with any country that genuinely supports the establishment of socialism."

The Promotion of Economic Diplomacy and the "Joint Venture Law"

North Korea and Japan have made rapid progress toward normalizing diplomatic relations and during this process North Korea has stressed the development of joint ventures with Japanese businesses and members of the pro-North Korean Federation of Korean Residents in Japan.

According to a recent issue of "Choson Shinbo," a bulletin published by the North Korean Federation of Korean Residents in Japan, last January North Korean officials and members of the Federation held a combined meeting with the pro-North Korean Joint-Venture Promotion Committee and the Council of North Korean Joint Banks in order to coordinate efforts to increase the number of new joint-venture businesses. At this meeting of pro-North Korean businessmen the main topic was the "establishment of a socialist nation" and in April of this year they organized an "exhibition of the products of joint ventures" which they used as an opportunity to pledge support for an increase in the number of joint ventures between North Korea and pro-North Korean residents in Japan.

According to the 21 February issue of "Choson Shinbo" the 45th anniversary of the establishment of the Koren Businssmen Resident in Japan was held at the Geio Plaza Hotel in Shin-Ju Ku, Tokyo, and at this meeting they reviewed minutes from the January meeting which stated that the "normalization of diplomatic relations between North Korea and Japan will soon become reality, and the role of business people has become very important."

In the 1970's North Korea adopted a policy of "import first, export later" and though they began to show an interest in economic diplomacy in 1980, they did not begin to promote exports until 1984.

At the third meeting of the Seventh Supreme People's Assembly held in January 1984, emphasis was placed on the "expansion of the topic of diplomatic cooperation centering on South-South exchanges." They also made extensive plans to increase trade with socialist countries ten-fold within the following five to six years, and they adopted a policy of extending trade and technical exchanges with Western capitalist nations. On 8 September 1984, the permanent Standing Committee passed the "joint-venture law," written by the People's Assembly during the previous spring. It was five pages in length and contained 26 articles concerning the enticement of foreign capital and tehnology as a part of the process to promote economic diplomacy. The law concerned joint-ventures in five areas: industrial, agricultural, construction, travel and science and set a 50/50 profit sharing ratio. However, the most important aspect of this law was that it allowed North Korea to attract needed foreign technology and capital.

One special provision in the law, Article 5, allowed a single individual to be considered a foreign enterprise, permitted Korean residents of foreign countries to invest, and profit sharing, terms of employment, allowances and the rate of tax assessment all based on "the situation in North Korea." After the joint-venture law was established North Korea continued to pass laws regulating joint ventures by passing the Joint-Venture Income Tax Law (7 March 1985), the Foreign Person's Income Tax Law (7 March 1985), Enforcement Rules of the Joint-Venture Law (20 March 1985), Enforcement Rules for the Joint-Venture Income Tax Law and the Enforcement Rules for the Foreign Person's Income Tax Law (17 May 1985). In November 1988 the "Ministry of Joint Venture Industry" was installed under the State Administration Council because of an increase in the number of joint-venture businesses.

Qualitative Changes in the Fields of Electronics and Chemistry as a Result of Joint Ventures

In May 1990 the "Ministry of Joint Venture Industry" was dissolved after only a year and a half, however, it is known that North Korea also began exploring ways of planning new joint ventures.

North Korea's focus on increasing economic diplomacy was more intense when the "7 March" goal was established in 1987, and this created a very important issue. During the "7 March" planning period the amount of diplomatic trade will increase 3.2 times and there will be a significant increase in the number of joint ventures.

North Korea's trade level in 1980 was $3.3 billion, in 1981-1984 the level declined, in 1985 it showed some improvement and in 1987 it reached $4.1 billion ($1.7 billion in exports and $2.4 billion in imports). Trade with socialist nations accounted for 53 percent of the total in 1980 and 66-69 percent in 1989; trade with the USSR totalled 24 percent of the total in 1980 and 48 percent in 1987. Trade with capitalist nations accounted for 28.6 percent of the total in 1980 which was reduced to 19 percent in 1987. The goods involved in trade at the beginning of 1980 included non-metallic mineral products, marine and agricultural products and other assorted mineral products, but recently rolled steel, aluminum, iron products, construction equipment, and a variety of other machine equipment and textile goods predominate. On the other hand, North Korea imports crude oil, coal, various raw materials, iron products, chemicals, aviation equipment and a number of different types of machinery. Recently, North Korea's main efforts have been directed toward an increase in the level of trade as well as better targeting of export markets and machine installations and they have made positive steps to broaden trade activities with China and the Soviet Union on one hand, and on the other hand they have focused on improving their strength on export articles, improving their quality, design, packaging, availability of replacement parts and the level of skill used in their manufacturing. They have increased economic exchanges with capitalist countries and have gotten away from simple foreign diplomacy and trade. They are interested in exchanges of technology and joint-venture businesses.

A joint proclamation issued in September 1984 has, to this day, resulted in the enticement of 100 joint ventures based in North Korea, 40 based abroad with pro-North Korean residents in Japan and 13 businesses in the Soviet Union. Progress in establishing joint ventures began with those made with pro-North Korean residents in Japan in the last half of 1986 after North Korean leader Kim announced on 28 February 1986 that he would encourage "joint ventures for the Korean nation with businessmen living in Japan." In looking at the situation surrounding efforts to promote joint ventures, in the five years after February 1986 there have been 85 cases of contractual joint-venture agreements, 39 of which succeeded and continue today. Only limited success has been made in the areas of small-scale clothing, food processing, restaurants, and service-oriented businesses as well as light industrial products, but financial, electronic and chemical businesses have fared better. For example, in February 1988 10,000 bicycles were being sold yearly and two production facilities were established: the "Sin-Hung Joint-Venture Company" which produces motorcycles, electric calculating machines, color TVs, record players, communication equipment and electric condensors, and the "Myong Chon Joint-Venture Company" which produces supersonic diagnosis machines, gastrointestinal scopes, electroencephalographic machines and electronic medical equipment. Again in April they established three companies: the "Pyongyang Packing Material Joint-Venture Company" for the production and export of packing materials, a large scale chemical factory in Ham Hung, and the "Chosun Joint-Venture Bank" with a capital stock of 2 billion yen. The "Dok-San Construction Machine Joint-Venture Company" is a business that specializes in the repair and export of medium-sized construction equipment and domestic construction equipment such as bulldozers, excavation equipment, loading machines, jac-lift, and cargo trucks and is estimated to have 2 million yen in capital stocks, the "Chosun Man Pung Joint-Venture Company" produces light industrial mats, and North Korean-Soviet joint ventures include crop treatment facilities, the Moranbong Restaurant in Vladivostok and a joint children's medical center.

The Current Locations of North Korean Joint Ventures

The number one North Korean joint venture with Korean residents in Japan is the Moranbong Joint-Venture Company which owns two factories that produce light-industrial and industrial manufactured goods such as motors, umbrellas and vinyl compound products. The yearly production capacity averages 150,000 men's suits, 200,000 women's blouses and 150,000 jackets. Goods from this company were displayed in April 1989 and 1990 in Tokyo and Osaka, and February 26th and 27th in Tokyo.

The Ham Hung Joint-Venture Chemical Factory manufactures materials used in advanced technology, such as cathode-ray tubes, fluorescent lights, applied lense systems, and super transmitters. The level of investment includes $12 million spent on 30 buildings for a total of 65,000 square meters of floor space. The North Koreans purchased the advanced materials domestically and used a manufacturing facility imported from China. In the future the North Koreans will export their products to not only Japan, but also to Europe and the United States.

The Pyongyang Casting Company is currently planning to produce 600,000 faucets yearly for the first time and 80 percent of these will be used in 50,000 apartments which are under construction on Tong-Il Street in Pyongyang. These faucets dispense both hot and cold water from a single tap, the first time this has been done in North Korea. Employee salaries in South Korea average 140,000 won which is a lot more than their North Korean counterparts who earn between 28,000 and 35,000 won.

The Pyongyang Packing Material Joint-Venture Company in cooperation with the Pyongyang Food Coalition and the Sinitokyo Firm have been producing packing material that is used in the packaging of exportable light industrial, art and marine products. Their yearly production capacity is 10 million square meters of paper board and 3 million packing rolls.

According to the 22 April 1991 edition of "Choson Shinbo," on 13 April the North Koreans displayed the products of five years of North Korean and pro-North Korean Federation of Korean Residents in Japan joint-venture manufacturing businesses at the "Chong Ryon Joint-Venture Exhibition" held at the exhibition center in Pyongyang. This was the first exhibition held since the initiation of joint ventures and there were a total of 2,140 products and models of actual products of which 220 were manufactured goods from light industrial parts companies (24 companies), heavy industrial parts, mining, nd pharaceuticals (13 companies), marine products (13 companies), and service-oriented businesses (16 companies); and they included photographic displays of products, charts, explanations of production techniques, a fashion show and video tape recording and editing services. A look into the future will show that the North Koreans will continue to pursue and extend "90's-type" joint-ventures as a means of importing foreign capital and manufacturing techniques as is shown in the "Chong Ryon Joint-Venture Exhibition."

* Cabinet Meeting Reveals Unification Scenario

912C0265A Seoul CHUGAN CHOSON in Korean 7 Jul 91 pp 22-24

[Article by O Tae-chin: "Merging or Coexistence: Government Starts To Develop Unification Scenario"]

[Text] The cabinet-level meeting on unification matters at Chongwadae with President No Tae-u on 17 June is considered to be a significant occasion in establishing unification policies. What has been made known to the outside and what was actually discussed at the meeting, however, were different. It may be because the Chongwadae side was worried about possible negative reactions if the real intention of the meeting were known to the outside.

To the outside, the major agenda of the meeting was to be a briefing made to the president by Choe Ho-chung, deputy prime minister and minister of the National Unification Board, on the result of the study by the government's study team on German unification. The summary of Choe's briefing, that consists of the major part of the official announcement of the meeting, concludes that "since there are substantial differences in circumstances between Germany and the Korean peninsula, it is preferable that unification should allow both South and North Korea to peacefully coexist and flourish, rather than one nation merge with the other, as in the case of the two Germanys." There is nothing new in Choe's conclusion; it is the same as what we often hear.

Independent from this conclusion, however, several very important policies were discussed at this meeting. It is significant because the government showed confidence in initiating the unification policy and indicated the direction toward which the government's unification policy is ultimately aimed.

The characteristics of the meeting are reflected by the president's comments. The president mentioned that, "we have to thoroughly prepare for unification, assuming it can happen anytime," and ordered that, "in order to bring about a unified culture, a unified economy, a unified society, a unified government, and furthermore, a unified nation, all the related ministries should embark on their preparatory tasks in consideration of the process of establishing the unified government and all other expected tasks required after the unified givernment has been established."

The president's order represents the government's conviction that some changes in the North Korean system have already started, and the speed of changes will accelerate; consequently, unification is not far out. The No administration has been disclosing its official unification policy as "a gradual unification through mutual coexistence, rather than one nation merging with the other," in light of the North Korean fear of the South absorbing the North. The unification policy on the premise of the rapid change in the North Korean system is closer to the one nation merging with the other, rather than to a gradual unification through mutual coexistence. The true intention of the government is different from the official result of the study team on the German unification, disclosed by Deputy Prime Minister Choe.

A careful examination of the president's order will reveal the government's intention more clearly. As examples of each ministry's preparatory tasks, the president ordered the Economic Planning Board to plan the overall economy of both South and North Korea, and the Home Affairs Ministry to plan for merging the South and North Korean police forces, as well as control both nations. Furthermore, the Justice Ministry should study the laws and prosecution systems of both nations, and the Ministry of Education textbooks, the teachers' qualifications, and the problems related to education. The Defense Ministry should study military equipment, defense systems, optimum military size and disposition; and the ministries related to the economy should study North Korean foreign debts, overall industrial and economic systems, and provisions.

In response to the president's order, Deputy Prime Minister Choe replied that, "The government will finalize its official policy by the end of October, that includes a scenario on North Korean changes by each related ministry, and a scenario to respond to these changes." Choe mentioned that, "As of today, it is estimated that approximately $200 to $400 billion is required for unification," and that, "in view of the estimated reunication expenses, preparations should be made for economic unification and other unification in various areas."

Other important unification policies that Choe reported to the president include the following: reopening high-level meetings between the North and the South as soon as possible in order to derive a practical improvement of the relationship; execution of priority items among the suggestions made by the South and the North that are more agreeable and can easily be implemented; a gradual simplification of the process of application and approval of mutual cooperation between the two nations; and establishing policies for unification of the divided families, and for property rights.

The conclusion derived by the government's delegation, which was sent to Germany until the end of April 1991 to study the German unification, is not that "there are insurmountable difficulties related to one nation merging with the other," but a warning that "we have to be prepared in advance, based on post-unification difficulties that the unified Germany is currently experiencing, associated with the rapid accomplishment of the unification. The government is not so much interested in whether or not the unification of the Korean peninsula should be made in the German way, but what the aftermaths of the Korean unification will be. The following is a summary of the results of the study team sent to Germany by the government:

—Due to the failure of the planned economy of East Germany, more than one third of the total labor forces is jobless, and more than 80 percent of the businesses are on the verge of bankruptcy. Consequently, social tension is heightening.

—There is a slippage in the schedule for the reconstruction of East Germany and clearing of the Communist system due to the delay in establishing administrative and justice systems in East Germany caused by the lack of specialized manpower in East Germany and by the reluctance of West German public officials to work in East Germany.

—The task of overcoming the cultural differences came up as a serious problem due to a disparity caused by the superiority feeling of West Germans and the inferiority complex of East Germans, and the psychological instability of East Germans caused by the difference in life style involving labor, daily goods, and time management.

—There are problems associated with the reinstatement of the right of property that was confiscated under the communist system. Legal cases are reported on some of the unreturned property. The administration is incapable of handling almost 1.3 million cases related to confiscated properties under the communist system.

—As of March 1991, only about 1,000 businesses have been privatized out of 8,000 state-run businesses. It is mainly because Western businesses made little investment due to poor indirect capital in East Germany, foreign debt clearing problems, and bad qualifications of managers of communist parties.

—Tax increase is inevitable in order to alleviate the financial difficulties in the five East German states and rapidly increasing federal financial deficits. Consequently, the Kohl administration is facing political difficulties caused by the opposition party's attack and the people's dissatisfaction with sharing the unification expenses.

It is anticipated that the government will use the results of the study team describing the current status in united Germany as an important reference in developing the first integrated unification scenario. In the past, the National Security Planning Agency and the National Defense Ministry are known to have developed scenarios on changes in North Korea and on how to cope with the changes. Since these scenarios were tactically and strategically developed based on the Cold War era theory, they are not flexible enough to predict the rapid break up of the Cold War and power relationships surrounding the Korean peninsula.

Other unofficial scenarios that conceptually described how to economically cope with unification, developed by economic ministries, including the Ministry of Finance, are known to exist. In these scenarios, for example, it was recommended that savings should be increased in order to save the unification fund, and that diminishing labor-intensive industries, such as textile and garments, should be maintained in order to utilize the abundant North Korean labor force.

The current integrated plan, however, includes detailed plans such as the reorganization of the police forces, textbooks, and the right to property. It is, therefore, anticipated that an overall unification picture will unfold. Since the overall direction of the scenario is geared toward spreading the South's political, economic, social, and cultural systems to the North, it is our concern whether or not the direction is correct, and if it turns out to be correct, when it will happen.

Kim Tae-chung To Have Own Agenda in U.S. Visit

SK1309031491 Seoul THE KOREA TIMES in English 13 Sep 91 p 2

[From the "Press Pocket": "Deliberate Jab"]

[Text] Apparently displeased with Chongwadae's unilateral listing of him as one of the 30 delegates accompanying President No Tae-u to the United Nations, opposition leader Kim Tae-chung yesterday decided to excuse himself from a lunch No will host for them in New York on Sept. 24.

He will not attend the reception, either, which No will throw for Koreans residing in New York and instead will hold his own function for them on the same day, his staffers said.

His absence from the social events is also aimed at giving no clue to speculation that he may come up with crucial political agreement in a secret meeting with No that could bypass his rival Kim Yong-sam, being checked by the majority No faction with regard to his presidential ambitions.

According to his itinerary, Kim Tae-chung, whose political stature has improved remarkably with his main opposition party's merger with the splinter Democratic

Party based in Kim Yong-sam's power base in the southeastern part of nation, will visit the Soviet Union before flying to the United States.

Departing for Moscow next Tuesday, he is scheduled to meet Soviet President Mikhail Gorbachev Wednesday afternoon as the first most notable Korean politician to do so after the failed coup. On the ensuing morning, he will talk with Russian Federation President Boris Yeltsin.

He will then leave for the United States on Sept. 22 for a four-day visit during which he will participate in the UN General Assembly session while No is delivering an address on the occasion of Korea's admission to the world body.

His 17-day travel schedule will take him to Poland and Germany thereafter.

*Samsung Develops New Optical Filing System

WA1508010091

[Editorial Report] Seoul MAEIL KYONGJE SINMUN in Korean on 29 July publishes on page 12 an article noting that Samsung Electric Company, Limited has developed a new optical filing system, called the "Model SF-9000," that increases office efficiency by reducing paperwork and the space needed to store data. The system includes a controller that operates a high-resolution monitor and optical scanner, a high-speed laser printer, and hardware that can reduce, enlarge, compress, and duplicate images. Data is stored on optical magnetic disks, which Samsung claims perform at least as well as existing magnetic tape or microfilm systems. Text is inputted automatically through a scanner and stored semi-permanently on the optical magnetic disks, each of which is able to hold 16,000 pages of data. Up to 650 disks can be kept in a "jukebox," which has a storage capacity of 4,500 gigabytes, or the equivalent of several hundred thousand documents. Information on the disks is part of a database that can be accessed through a keyword or logic search, reproduced on the monitor or by the laser printer, and sent anywhere through the system's facsimile capability.

Software has been developed for the system's functions, including filing, graphics editing, electronic publishing, facsimile, optical character reading, and electronic mail, all of which are operated from an "X-window" system. Publishing and electronic mail are integrated with the filing function. The SF-9000 uses an X-terminal or 386 personal computer for image search, but the IBM AT series can also be adapted for this function.

According to the article, Samsung has applied for patents on the image data rotation and hardware cursor technologies created while developing the system. The company claims the SF-9000's networking function is superior to American and Japanese products. It is said to connect easily with other systems, and is interchangeable with existing computer nets.

The development of the SF-9000 took 28 researchers two years and seven months to develop at a cost of $2.2 million. Previously, optical filing systems used in Korea were imported from Japan or the United States, and were adapted for use with the Korean script. Samsung's system, presently being used by the Korea Telecommunications Company as a systems integration component, is expected to capture the foreign manufacturers' share of the domestic market. Samsung plans to begin exporting the system "immediately."

Burma

Notice on 'Exile Group,' NLD MP Statements

BK1209145691 Rangoon Radio Burma in Burmese 1330 GMT 12 Sep 91

[Announcement No. 965 of the Commission for Multiparty Democratic General Elections of the Union of Myanmar, dated 12 September]

[Text] Subject: Notice to the people regarding the opinion expressed by the elected representatives of the National League for Democracy that they neither did, not do they now, support the exile group headed by Sein Win.

1. The exile group headed by Sein Win claimed on 18 December 1990 that it had gained the signed pledges of more than 200 elected representatives of the National League for Democracy.

2. Since the announcement by the exile group headed by Sein Win could mean that the elected representatives were in violation of the People's Assembly Election Law, this commission asked the elected representatives whether the announcement by the exile group headed by Sein Win was true.

3. Regarding the exile group headed by Sein Win teaming up with the insurgent KNU [Karen National Union] to illegally found the National Coalition Government of the Union of Burma, 221 elected representatives of the National League for Democracy have so far said that they are the elected representatives of the legally established National League for Democracy. This being the case, they neither did, nor do they now, support that illegal group.

Elected representatives from Yangon [Rangoon] Division expressed their signed opinion in the presence of the chairman or the secretary of the National League for Democracy while the elected representatives from the other regions signed their statements in the presence of the chairman or the secretary of their respective township elections subcommissions. These signed papers, which were submitted to this Elections Commission, were put on record by this commission.

4. To date, 221 of the 369 elected representatives of the National League for Democracy have made these statements. Hence, let it be known by the people that it is the finding of this commission that the announcement by the exile group headed by Sein Win was made to deceive the people.

5. The full namelist of the 221 elected representatives of the National League for Democracy who have submitted their statements will be published in the newspapers tomorrow.

6. The commission will give further information to the people when more statements are received from the remaining elected representatives of the National League for Democracy.

By the authority vested in me.

Signed: Aye Maung, secretary.

Intelligence Service Exposes 'Saboteurs'

BK1209071191 Rangoon Radio Burma in Burmese 1330 GMT 11 Sep 91

[Excerpts] Between 28 August and 3 September, the Directorate of Defense Services Intelligence has exposed and arrested saboteurs and their hardcores of the ABSDF [All Burma Students Democratic Front] terrorist insurgent organization's 102d Battalion, who were sent by the KNU [Karen National Union] to set off explosions in Moulmein.

On 28 August, Sergeant San Aung from the 2d Company of the 102d ABSDF Regiment surrendered, along with an ABSDF travel permit issued by his company commander, Nyan Win, some propaganda documents, and a letter from Nyan Win. San Aung disclosed that on 25 August Nyan Win, commander of the 2d Company of the ABSDF 102d Regiment; Myint Lwin; Zaw Min alias Zaw Min Aung alias Taw Hkun; and himself, were sent by KNU major Hpa Dar, along with explosives to blow up a bran oil factory, a coconut coil factory, a gasoline warehouse, and a railway engine factory in Moulmein. He said when they arrived at Kanyin Kadike, Nyan Win and Myint Lwin turned back. He said the explosives were carried by Zaw Min, alias Zaw Min Aung, alias Taw Hkun, and they made arrangements to take different routes into the town. [passage omitted]

Following disclosures made by Zaw Min a 60-mm projectile, a 80-mm projectile, two U.S.-made hand grenades, one No. 36 hand grenade, four packages containing six 9 by 3 inch explosive rods, and four electric detonators were unearthed in the coconut coil factory compound in Moulmein on 30 August.

The following persons have been arrested in connection with the concealed explosives: Tin Soe, son of U Soe Lwin of No. 37 Bawga Street, Mupun Ward, Moulmein, a worker at the coconut coil factory; Htay Aung, son of U San Win of No. 28-A Bawga Street, Mupun Ward, a worker and night guard at the coconut factory; Tayoke alias Kyaw Myint, son of U Thein Tun, No. 14 Ywahaung Street, Mupun Ward; Shwe Aye, son of U Thein Han of Gangaw Street, Mupun Ward; Thet U, son of U Ngwe Lar of No. 36 Thiri Myaing Street, worker at the coconut coil factory; Ohn Myint alias Ahpu, son of U Bein Tun of No. 17 Twelfth Street, Mupun Ward; Than Ngwe, son of U Ngwe Sein of No. 912-D Bogyoke Street, Mupun Ward; Maung Lwin alias A Mular, son of U Maung Khin of Nya Street, Thiri Myaing Street; Win Zaw alias Win Tun, son of U Waing of No. 37-C Bawga Street, Mupun Ward; and Kyaw Tun, son of U Thein Han of No. 14 Ywahaung Street, Mupun Ward.

It was further learned that Nyan Win and members of the ABSDF 102d Regiment were responsible for blowing up a ferry on Gyaing River on Pa-an-Kawkareik route near Kyondo on 17 April. Legal action will be taken against those who have been arrested and efforts are underway to further expose those who are involved with the case.

Brunei, Malaysia, & Singapore

Brunei

Ties Discussed With Singapore Defense Minister

BK1009122091 Singapore Singapore Broadcasting Corporation in English 1100 GMT 10 Sep 91

[Text] The defense minister, Dr. Yeo Ning Hong, who is in Brunei, has discussed the excellent bilateral relations that exist between the two countries in his audience with the sultan of Brunei, Sultan Haji Hassanal Bolkiah. A statement from Mindef [Ministry of Defense] says their discussions also touched on relations with ASEAN member countries.

Dr. Yeo is in Brunei on a three-day official visit, his first to the country after assuming the post of defense minister. Dr. Yeo called on Brunei's Foreign Minister Prince Mohamed Bolkiah, the deputy defense minister, Major General Pengiran Haji Ibnu, and Law Minister Pengiran Bahrin.

Dr. Yeo also visited an ASEAN reservist patrolling team at the jungle training camp in (Kenduyong). He also took the opportunity to meet a group of 16 Singaporeans working in Brunei at an informal tea party.

Mindef says Dr. Yeo was accompanied by an MP [member of Parliament] from Eunos GRC [Group Representative Constituencies], Mr. Charles Chong, the second permanent secretary for defense, Mr. Teo Ming Kian, and senior defense officials.

Malaysia

Prime Minister Mahathir Visits Various Areas

Arrives in Sabah

BK1109151091 Kuala Lumpur Radio Malaysia Network in English 1330 GMT 11 Sep 91

[Text] Prime Minister Datuk Sri Dr. Mahathir Mohamed arrived in Kota Kinabalu tonight for a two-day visit to Sabah. The prime minister, who was accompanied by his wife, Datuk Sri Datin Paduka Dr. Siti Hasmah, was received at Kota Kinabalu International Airport by Sabah Chief Minister Datuk Joseph Pairin Kitingan, Sabah UMNO [United Malays National Organization] Deputy Head Tun Datu Haji Mustapha, state cabinet ministers, and other dignitaries. Some 500 UMNO members carrying welcome banners also greeted the prime minister. Datuk Sri Dr. Mahathir will attend an all-community dinner at a leading hotel tonight. He will also visit Kota Belut before leaving for Sarawak.

Comments on Sarawak Election

BK1209143691 Kuala Lumpur Radio Malaysia Network in English 1330 GMT 12 Sep 91

[Text] Datuk Sri Dr. Mahathir Mohamed has advised groups engaged in the Sarawak state election to refrain from playing up racial sentiment because it can lead to dire consequences. Racial politics will only instigate the people and cause one race to hate another and eventually spark off racial riots. The prime minister says this will result in sufferings and destruction of political stability and the national economy. He gave the advice when addressing about 2,000 state Barisan Nasional, BN [National Front], members and supporters who had greeted him at the Miri Airport on his arrival from Sabah for a two-day visit to Sarawak.

The prime minister said the people should [words indistinct] the BN government in developing the state through politics of development. Datuk Sri Dr. Mahathir said the success Malaysia had achieved in securing political stability, a sound economy, and racial harmony outclassed that in many other countries, including developed nations. This has caused envy among certain groups in these countries which went to the extent of (?distorting) the facts through the mass media. He said the Malaysian success had resulted in a 10-percent economic growth rate last year compared with only a 2-percent growth rate in the European Community, EC, countries.

Earlier, when addressing the people at Kota Belut, Datuk Sri Dr. Mahathir said the decision of the people of Sabah to join Malaysia in 1963 was final and could not be questioned. He advised the people of Sabah to be wary and not fall prey to efforts by certain individuals to question the decision, as they had ulterior motives.

The prime minister said the people of Sabah and Sarawak decided in a referendum in 1963 to merge with Malaysia. The federation is protected by the Constitution and any efforts deemed to be detrimental to its well-being will be dealt with accordingly. Datuk Sri Dr. Mahathir said action in accordance with the law would be taken against those who were in the row. So, they breach the Constitution, they should not blame the government if action is taken against them.

Defense Chief Meets Singapore Counterpart 9 Sep

BK1109135591 Kuala Lumpur NEW STRAITS TIMES in English 10 Sep 91 p 12

[Text] Kuala Lumpur, Mon.—The Malaysian Defence Forces has expressed satisfaction with Singapore's explanations over recent incidents, its acting chief, Jen. [General] Tan Sri Yaacob Mohamed Zain said today.

He suggested confidence building measures be initiated next to remove the suspicions between the two countries to enhance their bilateral ties.

He proposed that military officers from the two countries visit and observe each other's military units. This was endorsed by visiting Singapore Army chief Major General Ng Jui Ping.

"It is time that we close ranks and enhance each other's confidence in what the respective country is doing with its military units," said Jen. Tan Sri Yaacob.

He was speaking to the press after a 45-minute discussion with Maj. Gen. Ng at his office in the Defence Ministry here.

Two incidents raised in the discussion were the mortar shell explosion near a fishing village in Gelang Patah on July 28 and the crash of a Singapore fighter jet in Pasir Gudang on Sept 2, both in Johor.

Singapore had denied it was responsible for the mortar shell incident while the republic had agreed to compensation for the damage caused by the fighter jet.

Jen. Tan Sri Yaacob said he had accepted Singapore's explanation on the mortar incident.

"We have sent out divers there but found no trace of the mortar fragments. Without evidence, I cannot tell the Singapore Armed Forces that it had happened.

"I have to accept their explanation that they were not responsible for it."

Speaking at the same news conference, Maj. Gen. Ng said Singapore would not deliberately undertake actions which could strain the republic's cordial and warm ties with Malaysia.

He said: "There is no reason for us to do anything deliberate that would create excitement but there may be incidents that we have to clarify on what happened."

Military Exercises With Philippines Possible

BK1109110491 Kuala Lumpur NEW STRAITS TIMES in English 10 Sep 91 p 12

[Text] Kuala Lumpur, Mon.—Malaysia and the Philippines are working on the possibility of their armies taking part in joint exercises, acting Defense Forces Chief Tan Sri Yaacob Mohamed Zain said today.

He said the two countries had yet to work out the details.

"But there will certainly be a follow-up on this development... [ellipses as published] to see how we can share each other's benefits," he told reporters after meeting Philippine Army Chief Major General Arturo Tiongson Enrile at the Defence Ministry here.

This is the first visit by a Philippine Army chief to Malaysia.

Malaysia and the Philippines, both ASEAN members, have never staged joint military exercises.

Singapore

Article Views New Differences in Ruling Party

BK0809075391 Hong Kong AFP in English 0632 GMT 8 Sep 91

[By Peter Mackler]

[Text] Singapore, Sept 8 (AFP)—If Singapore's recent election heralded a new era of partisan politics here, it also highlighted emerging differences within the government once bound by Confucian obedience to ex-premier Lee Kuan Yew.

The polls further underscored the cleavage between English-educated Chinese who want all the trappings of a modern business hub and Chinese-educated Singaporeans concerned more with bread and butter issues.

Caught in the middle is Prime Minister Goh Chok Tong, a reluctant, soft-spoken politician seeking to establish a more consultative style of rule since taking over in November after Lee's 31-year reign.

Singaporeans have long preached consensus politics for this mostly Chinese economic dynamo of three million people dominated by Lee and his People's Action Party (PAP) since independence in 1965.

But with rare candour this week, Goh spoke openly for the first time of jockeying between cabinet conservatives and his liberal supporters intent on opening up the city-state's tightly controlled society. He left no doubt he was hurt by last Saturday's snap parliamentary polls that saw the opposition win an unprecedented four seats and slice two points off the PAP's 1988 vote to 61 percent.

"Politically I do suffer a setback," said the 50-year-old Goh, who had staked his personal popularity on at least matching the PAP's showing of three years ago. "I think I must suffer some damage." He acknowledged cabinet pressure to slow some of his liberalisation efforts, including less censorship and more consultation on policies, and said he had to pay more attention to the island's less-affluent Chinese voters.

Several analysts have suggested that Goh's brooding and evident dejection may have been more costly to him than the election, which in any other country he could have claimed as a landslide victory after taking 77 of 81 seats. Some say that without a clear voter mandate Goh could become increasingly isolated within the government where Lee retains considerable clout and his son, Deputy Prime Minister Lee Hsien Loong, waits in the wings for the top job.

Perhaps ominously for Goh, Lee Kuan Yew has offered little solace since the elections, keeping his silence even if he is senior cabinet minister and PAP secretary general. Singapore's political patriarch maintained a relatively low profile during the campaign and showed only lukewarm support for his successor. At one point he said a poor PAP showing would frighten investors, at another he archly reminded voters that Goh was never his first choice as a replacememt.

Goh insists, however, that he plans to see out the century as prime minister and that he has a good working relationship with his more conservative and politically aggressive deputy Lee Hsien Loong, 39.

But several analysts speculated Goh may not make it through his current five-year mandate. Said one diplomat, "I think he will be progressively weakened but stay on for two, or maybe even three, years before giving way."

Indeed, PAP mandarins are now interpreting the election as a sign they may be losing touch with the Chinese masses here who care more about rising health care and education costs than liberal reforms or Singapore's image abroad.

Goh also acknowledged that his efforts to reach out to the country's Malay minority, which makes up 15 percent of the population, had probably cost him votes among the three-quarters Chinese majority.

How strongly Goh will feel compelled to tighten the reins is still an open question, and the signals since the election have been mixed.

He has allowed the ASIAN WALL STREET JOURNAL to resume restricted circulation after its long-standing feud with Lee, and promised a group of foreign correspondents that efforts to open up to the non-Singapore press would continue. But at the same time, Goh bowed to heavy public pressure and rolled back on one of his most widely publicised reforms, the introduction of R-rated films. He banned screen nudity for all but "artistic" films and raised the viewing age from 18 to 21.

Goh has promised to hold by-elections in 12 to 18 months to further test the political waters, and analysts said the outcome could be crucial. "If he does not get a resounding victory it could be good-bye Mr. Goh," said one.

Government To Amend Rules for R-Rated Films

BK1209074191 Singapore THE STRAITS TIMES in English 7 Sep 91 p 1

[Excerpt] The Government will amend the rules for R-rated films from Sept 15 following widespread feedback that Singaporeans were against allowing the screening of exploitative restricted movies.

The Prime Minister's Office (PMO) yesterday issued a statement announcing the changes, one of which raises the age of admission to restricted films from 18 to 21 years.

"Films with erotic, violent or exploitative themes will not be allowed," it said.

But serious films which meet well-defined artistic standards will still be allowed without excessive cuts. A new category, R (Artistic), will replace the current R rating category.

The statement said that since the new film classification began on July 1, Prime Minister Goh Chok Tong had received feedback in numerous walkabouts and dialogue sessions from Muslim and Christian religious groups, community leaders and People's Action Party MPs.

"The response showed that the majority of Singaporeans were not in favour of very liberal film censorship, especially parents and the non-English educated," the statement said.

The Government, however, recognises the merits of artistic films. "The new R(A) category will enable us to continue opening up more cultural space for artistic expression in Singapore without affecting the wholesome character of our society," the statement said. [passage omitted]

Policy Shift Questioned

BK1309062491 Singapore THE STRAITS TIMES in English 7 Sep 91 p 32

[Editorial: "A Snip Too Soon"]

[Text] The Government's decision yesterday to amend the two-month-old film classification system came as no great surprise. Ever since it was inaugurated on July 1, there has been an avalanche of demands from conservative Singaporeans, and some not-so-conservative ones as well, that it be rescinded. The majority were concerned about the impact of R-rated films on children—ignoring the fact that under-18s were not allowed to see them—and what it would do to moral standards. Others, verging on hysteria, cried that R-films would incite Singaporeans to commit sexual crimes and violence and could even destroy society altogether. Although the backlash did not gather much sting until the last few weeks, with opposition politicians joining in, Mr Goh was already so concerned by early August that he assured a dialogue session that Singapore could "de-R" if that was what people wanted.

One can, of course, understand why. No politician can afford to ignore the views of his public, especially one who believes in consensual politics and in giving the public a say in how the country is run. Nonetheless, to retreat from the new policy so soon after its birth is a little sad. Still, we support the decision to raise the minimum viewing age to 21 because we fully share the public's distaste and misgivings about the kind of films that distributors and cinema chains have chosen to bring in under the more relaxed regime. Sexploitation movies were not what liberals and serious film lovers had in mind when they called for a relaxation of censorship. On hindsight, however, that should have been expected. Having known nothing before but strict censorship, it was only natural that many people would be curious, if nothing else, to see what all that previously forbidden fruit was like. And cinema operators and film distributors, being businessmen first and last, were behaving in character in rushing to feed—and whet—that curiosity.

They could reasonably be rapped for this, for they were really responsible for the uproar that followed. Blinded by greed, it did not occur to them that many people, perhaps the majority, prefer wholesome, familiar, fare to bare flesh, and forgot that a significant chunk of their customers, the under-18s, were forbidden to watch R-films in the first place. They even managed to offend serious film lovers by selling the few non-exploitative R-films that they screened as if they were all about steamy sex. It should be noted, however, that they soon retreated in the face of public protests and more than half Singapore's cinemas are now screening films that parents can safely take their children to. Unlike the case in the first fortnight, it is no longer a case of film-goers having nothing to choose from except the same handful of soft pornography being screened from cinema to cinema. They have many other (options and are not forced to watch sexual simulations if they choose not too).

Prime Minister Goh Chok Tong was, of course, right in saying that the R-rating was not intended as licence for soft-porn, but only to allow in 'artistic" films that happen to contain scenes of sex, violence or crude language prohibited under the previous regime. But we believe that the censorship should ideally lie in the hands of cinema-goers, individual Singaporeans, not with a handful of civil servants and a few selected members of the public. The issue is not films per se. It is whether Singaporeans are ever to learn to make decisions for themselves or forever abdicate their responsibility and ask some authority, usually the Government, to decide and tell them what is best or permissible. It may be that they may eventually prove unequal to the test. But two months is surely no sort of test for any new system, let alone one that is totally without precedent here. The Government should really give cinema-goers and distributors more time to show maturity and judgement. To put on the brakes now, and risk bringing back the heavy hand of officials censors, is unfair not just to them but all Singaporeans.

Labor Minister Talks With PRC Trade Official

BK1109150691 Singapore Singapore Broadcasting Corporation in English 1400 GMT 11 Sep 91

[Text] The labor minister and second minister for education, Mr. Lee Yock Suan, today held talks with China's vice minister for foreign economic relations and trade, Ruan Chongwu. They agreed that there is a good step to further improve the existing economic links between the two countries.

Speaking to reporters later, Mr. Lee said there could be further mutual investments and even joint projects in other countries. He cited construction and supply of foreign labor as projects where there could be cooperation. He noted China had opened up [words indistinct] business opportunities outside the country.

Philippine Army Chief Calls on Defense Minister

BK1309112091 Singapore Singapore Broadcasting Corporation in English 1100 GMT 13 Sep 91

[Text] The commanding general of the Philippine Army, Major General Arturo Enrile, called on the defense minister, Dr. Yeo Ning Hong, at Mindef [Ministry of Defense] this afternoon. Gen. Enrile also called on the chief of the Defense Forces, Lt. Gen. Winston Choo, and chief of the Army, Maj. Gen. Ng Jui Ping. Gen. Enrile is on a four-day official visit at the invitation of Maj. Gen. Ng. A statement from Mindef says the visit reflects the cordial ties between the countries.

Cambodia

Sihanouk Advocates UN Plan Implementation

BK1309045091 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 12 Sep 91

[Text] Before leaving for France on 9 September, Samdech Norodom Sihanouk told reporters at Beijing airport that the recent Supreme National Council [SNC] meetings in Phatthaya and Beijing had achieved great results. However, the achievements are inseparable from the efforts of China and the other permanent members of the UN Security Council [UNSC]. The samdech added: In a political settlement of the Cambodian problem, we hope that the framework document of the five UNSC permanent members will be implemented and that a UN peacekeeping force will be dispatched to Cambodia at an early date to provide overall verification.

On his participation in this year's 46th UN General Assembly, the samdech said: The delegation led by myself to the UN General Assembly is of vital importance. I will hold numerous working meetings with the country delegates to the International Conference on Cambodia to promote an early political settlement of the Cambodian problem.

31 Oct Peace Deal Possible

AU1309070791 Paris AFP in English 2337 GMT 12 Sep 91

[Text] Paris, Sept 13 [date as received] (AFP) — A peace settlement ending the Cambodian conflict could be signed in Paris on October 31, Prince Norodom Sihanouk, president of Cambodia's Supreme National Council (SNC), and French Foreign Minister Roland Dumas said in a joint statement Thursday [12 September].

The statement also said that Dumas had accepted an invitation by Prince Sihanouk to visit Cambodia from November 22 to 24, becoming the first French minister to visit the country since the prince was ousted from power in 1970.

"The date of October 31 has been provisionally envisaged for the signing at ministerial level of the agreement on a global political settlement" of the Cambodian conflict, the statement said.

The two men agreed at a working dinner that the "decisive progress of negotiations in the past three months makes possible a rapid re-convening of the Paris Conference on Cambodia," the statement said.

French diplomatic sources said they mainly discussed the voting system to be used in Cambodia in free elections envisaged under a draft United Nations peace plan.

Earlier Thursday, Phnom Penh Foreign Minister Hor Namhong said the voting system issue was "the only obstacle" in the path of a peace settlement.

The five permanent members of the U.N. Security Council taking part in the Paris Conference favour a system of proportional representation, as do the Khmer Rouge, while Prince Sihanouk and the authorities in Phnom Penh favour a first-past-the-post system.

Dumas and the SNC president also discussed a timetable of meetings to be held between now and the signing of the accord and the installation of the SNC in Phnom Penh in mid-November.

Prince Sihanouk asked for French aid in the reconstruction of Cambodia, particularly in the field of health and education and in rebuilding the country's infrastructure. He was due to meet French President Francois Mitterrand on Saturday.

France maintained close ties with its former Indochinese colony until the overthrow of Prince Sihanouk in a military coup led by Lon Nol in 1970.

The prince, who is in France on a private visit, is to travel on to New York where final negotiations involving the different Cambodian factions and the U.N. Security Council permanent members are taking place on the sidelines of a U.N. General Assembly meeting.

SRV, Phnom Penh Arm Core Forces

BK1309022191 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 12 Sep 91

[Excerpt] According to our people and the national councils in Takeo and Kampot provinces, between 30 August and 5 September, following the conclusion of the Supreme National Council meeting in Phatthaya, the Vietnamese aggressors and Phnom Penh side armed their core forces called (?pillar people) there with AK-59 and AK-54 pistols. These forces are the Vietnamese aggressors' resolute troops who will continue to implement the Indochinese federation strategy in Cambodia. [passage omitted]

Commentary on Demobilizing Phnom Penh A-3 Force

BK1309045591 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 12 Sep 91

[Station commentary: "Demobilizing the Armies of All Parties Is To Ensure the Security and Tranquillity of Cambodian Society"]

[Text] The second round of the Supreme National Council [SNC] talks in the Thai city of Phatthaya on 26-29 August 1991 agreed on the following two issues:

1. To trim down the armed forces of all parties by 70 percent, with the remaining 30 percent to be disarmed, regrouped, and relocated in designated barracks under UN supervision and control, and

2. To allow a UN transitional authority [UNTAC] with civilian and military personnel to make an overall verification in Cambodia, including the control over foreign troops and the armed forces of all Cambodian parties.

The Cambodian people as well as friendly countries the world over welcome these important results. They believe the demobilization of all Cambodian armies is progress toward:

1. Safeguarding the security and tranquillity of Cambodian society and averting armed conflict among the parties which could lead to a war;

2. Promoting mutual understanding in order to reach a definitive national reconciliation; and

3. Creating a neutral environment in preparation for free elections in Cambodia.

As such, the armed forces of all parties and the Phnom Penh A-3 force are not excluded. They have to be reduced and disarmed in keeping with the agreement. They must be included among the forces to be demobilized, regrouped, and disarmed under the UN control and supervision. The explanation to the SNC given by General Timothy Dibuama, military adviser to the UN secretary general, who recently led a UN survey mission to Cambodia, on the evening of 29 August 1991 explicitly confirms this. As for Cambodians in Cambodia, they hold the same opinion, since the Phnom Penh A-3 force has harassed and arrested people, plundered their property and conscripted their children into the army. The A-3 force has also colluded with Vietnamese troops to launch offensives on areas liberated by the Cambodian national resistance forces. As such, they must be demobilized, regrouped, and disarmed as the other armies.

An UN monitoring force should be dispatched to Cambodia as soon as possible to reduce, regroup, and disarm the armies of all parties and to implement other agreements. This is why the SNC and Cambodians have demanded the early dispatch of UN forces to Cambodia—200 in September and 2,000 in October. More can be shipped till it is sufficient for overseeing the implementation of all agreements.

This is the most concrete measure in enhancing a comprehensive political settlement of the Cambodian problem based on the framework document of the five permanent members of the UN Security Council and the 26 November 1990 draft agreement to restore peace, security, independence, and neutrality to Cambodia within its territorial integrity and also lasting security and peace to Southeast Asia and the Asia-Pacific region.

End To 'Exploiting' of Flood Victims Demanded

BK1309092991 (Clandestine) Voice of the Khmer in Cambodian 0430 GMT 13 Sep 91

[Political commentary: "Please Do Not Exploit Victims"]

[Text] For the past two weeks, since the end of the Cambodian Supreme National Council [SNC] meeting in Phatthaya, the propaganda tool of the regime propped up by Vietnam in Phnom Penh shamelessly boasted like tadpoles in a pot, insulted, and blamed others for not paying attention to the Cambodian people, and said that only its group of a handful of persons—out and out puppets of the communist Vietnamese—are solving problems for the Cambodian people.

Concerning these persons' unintelligent statements, we would like to make the following observations. We recalled that at the SNC meeting in Beijing, Hun Sen protested against strong attacks by the Voice of the Khmer [VOK] radio against him and asked that VOK reduce these attacks. However, only a few days after that, Hun Sen's message, like Hun Sen's radio, used mean words against Cambodian resistance leaders, particularly against His Excellency Son Sann, insolently deriding our leader's old age. At the second meeting in Phatthaya, although this group used words fit for ignorant people, we still hear from the Hun Sen group requesting that VOK not further reveal this group's dirty activities so that we can work together in the future.

While we are trying to oblige this request, the puppets' propaganda tool opens its stinking mouth and insanely declares a war on the airwaves. It is worth noting that the essence of the deceitful propaganda of the Hun Sen group is that the Cambodian resistance groups do not have sympathy or love the Cambodian people and have done nothing to help the Cambodian flood victims. This group used base words which are difficult to repeat.

On this point, we would like to specify that the aid transported to Phnom Penh is not for the Hun Sen group; this is aid the SNC has requested for the Cambodian people in general. Therefore, please do not boast and claim credit for it from the Cambodian people. Instead of claiming credit, it would be good enough already if the Hun Sen group does not steal this aid from the Cambodian people. Furthermore, the Cambodian people are not ignorant to the extent of not remembering what Hun Sen provided to the Cambodian people apart from rounding up people's children to serve as soldiers and buying paddy and rice at cheap prices from the people and exchanging them for bullets from the Hanoi Vietnamese.

On behalf of the Cambodian people, VOK would like to make this plea: If you do not help, please do not steal from the Cambodian people. We would like to specify that this aid is purely humanitarian and not for the Hun Sen group to use for political gain in its propaganda and shameless insults against others. Furthermore, we would like to specify that there could be a lot more aid of this kind for the Cambodian people if the Hun Sen group does not create obstructions in the form of delaying the speedy implementation of the UN peace plan.

VOK would like to appeal to the Hun Sen group to stop exploiting flood victims.

Sihanouk Greets Kim Il-song on National Day

BK1209032391 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 11 Sep 91

["Text" of "message of greetings from Samdech Norodom Sihanouk, chairman of the Supreme National Council of Cambodia, to His Excellency President Kim Il-song on the DPRK National Day"; dated 8 September—read by annoucer]

[Text] Your Excellency Marshal, respected President of the DPRK:

On the solemn founding anniversary of the DPRK, on behalf of the Supreme National Council of Cambodia and the Cambodian people and in my own name, I have the honor of extending to you, Your Excellency, the warmest greetings. May you have the best of health, longevity, and more successes in leading the Korean nation.

With Your Excellency as the great leader and father of the Korean nation at the helm of the country, the DPRK has achieved multifarious development in national construction. Your patriotism has prevented colonialism and imperialism from progressing and advanced Korea to an era of prosperity as other countries in the world.

We would like express salutations and respect for the DPRK for being accepted as a full-fledged member of the United Nations. We are firmly confident that the DPRK will make useful contributions to UN operations, and we pledge to cooperate with your glorious country within the UN framework.

We are also pleased to take note of the development in the Korean reunification process under your intelligent leadership. May Korea achieve an early national reunification under the leadership of Your Excellency, the great leader of the Korean people and nation.

Availing myself of this opportunity, I would like to again profoundly thank Your Excellency for all kinds of assistance that the DPRK has provided in the process of achieving our national reconciliation which, with your personal support, have already made a speedy headway.

Your Excellency, please, accept my highest regards and salutations.

[Signed] Norodom Sihanouk, SNC chairman

[Dated] Pyongyang, 8 September 1991

Hor Namhong on Last 'Obstacle' to Peace Accord

BK1309074891 Hong Kong AFP in English 0720 GMT 13 Sep 91

[Text] Phnom Penh, Sept 13 (AFP)—Peace talks in New York next week could remove the last remaining obstacle to a Cambodian peace treaty, Phnom Penh Foreign Minister Hor Namhong said Friday.

Resolving the question of what electoral system to use would allow the Paris International Conference on Cambodia to reconvene in late October to seal a settlement, he told a press conference here. But Hor Namhong acknowledged that the signing of a peace treaty would mark the beginning of a "complicated and difficult" period for Cambodia, as the United Nations scrambled to repatriate 300,000 refugees and organize free elections while thousands of demobilized soldiers and guerrillas searched for new ways to make a living.

He also said he expected Prince Norodom Sihanouk, Cambodia's former monarch, to be elected president in popular balloting once a constitution for Cambodia is drafted and a national assembly formed.

"I don't know of any other candidates right now. Personally, I will vote for Prince Norodom Sihanouk," he said.

The prince is the head of Cambodia's Supreme National Council (SNC), which groups the Vietnamese-installed Phnom Penh government with the three resistance factions, including the powerful Chinese-backed Khmer Rouge.

He expressed optimism Thursday that the progress of negotiations made it possible that a peace settlement could be signed October 31.

Hor Namhong said Phnom Penh had dropped its insistence on referring to Khmer Rouge genocide in a peace treaty to allow a settlement to be reached, but that the matter was not forgotten. But he said he hoped the new government of Cambodia would put the Khmer Rouge leaders on trial and make a full accounting of what happened here during their radical Marxist rule from 1975 to 1979.

"My personal view is that for the history of Cambodia and for international law this has to be done," he said. "It was genocide in our country. Millions of people were killed, the country was all destroyed."

Hor Namhong also insisted that the demobilization of Phnom Penh's Interior Ministry police, demanded by the Khmer Rouge along with demobilization of the army, was no longer an issue.

"The A-3 were all demobilized," he said, meaning that the crack unit had been taken off the military footing adopted immediately after the September 1989 pullout of Vietnamese troops.

"After we achieved a certain stability ... the police went back to their original functions."

He added that under the peace plan, the Interior Ministry would come under U.N. control during the transitional period before free elections, allowing verification of the A-3's status.

With these issues settled, he said deciding on a electoral system "is the only remaining question" for the SNC, which will hold an informal meeting next week at the United Nations in New York.

"The obstacle arises from His Excellency Son Sann and his group who raised the question of a (direct) proportional electoral system," Hor Namhong said, referring to one of two non-communist factions in the three-party resistance. "We will absolutely not ever accept the proportional system," he said.

"The proportional system would allow the Khmer Rouge to be in the government legally" and create "permanent instability," he added.

Phnom Penh wants to institute a single-seat constituency system, which tends to shut out smaller parties, but the draft U.N. peace plan proposes proportional representation, in which seats are assigned in proportion to the number of votes garnered by each party nationwide.

Hor Namhong stressed that the SNC—which represents Cambodian sovereignty—had the right to amend the draft.

"I hope Son Sann will change his mind and not make an obstacle to peace," he said, while adding that some form of compromise might be possible.

Another formal SNC meeting could be held in Phatthaya, Thailand if the New York talks fail to resolve the issue, he added.

Cambodia has been racked by civil war since 1979, when Vietnamese troops ousted the Khmer Rouge from power and installed the current Phnom Penh government.

Thai Government Provides Aid to Flood Victims

BK1109090991 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 0430 GMT 11 Sep 91

[Text] On the morning of 10 September at Pochentong airport, Comrade Kong Sam-ol, vice chairman of the Council of Ministers, representing the National Committee for Receiving Flood Relief Aid, received the Thai Government gift for the Cambodian flood victims brought by a delegation led by His Excellency Wichian Watthanakhun, deputy foreign minister of the Thai Kingdom.

This relief aid comprises 500 tonnes of rice, medicine, clothing, cooking oil, and gunny bags worth a total of 10 million baht. On this occasion, His Excellency Wichian Watthanakhun informed the State of Cambodia's leadership that the Royal Thai Government and people have received with regret the very sad news about the floods and the immense damage they have caused to the Cambodian people. The Royal Thai Government and people are very concerned about the plight of the neighboring Cambodian people and would like to share the Cambodian people's grief.

His Excellency Wichian Watthanakhun continued: In fact, a number of Thai people in the northern part of the country are at the same time facing the same disaster as the Cambodian people. The hardship of the Thai people is as great as that of the Cambodian people. However, the Royal Thai Government believes that human suffering has no boundary; thus, His Excellency Anan Panyarachun decided to send me as representative of the Royal Thai Government to bring relief aid in the form of food, medicine, and gunny bags to the Cambodian government to help stabilize the Cambodian people's lives.

Replying, Comrade Kong Sam-ol gave a sincere and very warm welcome to His Excellency Wichian Watthanakhun for bringing the precious aid to the Cambodian flood victims. Comrade Kong Sam-ol continued: The Cambodian Government and people highly appreciate, and express most profound gratitude for, the gesture and generous gift of the Royal Thai Government and people to the Cambodian people.

On behalf of the State of Cambodia's government and the Cambodian flood victims, Comrade Kong Sam-ol expressed profound thanks for the precious aid of the Royal Thai Government and people and wished good health and longevity to King Phumiphon Adunyadet and queen. The comrade also wished success to His Excellency Prime Minister Anan Panyarachun and the entire cabinet and expressed the hope that future relations between our two peoples would be nurtured and blossom.

Hun Sen Receives Message

BK1109061591 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 0430 GMT 11 Sep 91

[Text] Comrade Hun Sen, chairman of the State of Cambodia's Council of Ministers, recently received a message of sympathy from His Excellency Asa Sarasin, foreign minister of the Thai Kingdom.

The message says in essence:

Dr Wichian Watthanakhun, deputy foreign minister of the Thai Kingdom, representing the Royal Thai Government and people, is visiting Phnom Penh, bringing along emergency relief for the victims of the recent floods which have caused immense damage in Cambodia.

The Thai people, many of whom have been victims of the same floods, hope our contribution will alleviate the hardship of less fortunate neighbors who are also suffering from this disaster.

Hor Namhong Fetes Group

BK1209135591 Phnom Penh SPK in French 1125 GMT 12 Sep 91

[Text] Phnom Penh 12 Sep (SPK)—The Thai Foreign Ministry delegation headed by Deputy Minister Wichian Watthanakhun, which on the morning of 10 September in Phnom Penh presented the first batch of aid from the Royal Thai Government to Cambodian flood victims—has visited some flooded areas.

"This aid from the Thai Government to Cambodia is of special importance to the Cambodians, who are now experiencing their worst difficulties in history," stressed Hor Namhong, foreign minister of the State of Cambodia, during a banquet he hosted in honor of the Thai guests on the afternoon of the same day.

"This assistance from the government and people of the Kingdom of Thailand clearly shows their generosity towards the Cambodian people, and has greatly helped to alleviate the burden of the Cambodian Government, particularly in normalizing the lives of the flood victims," added Hor Namhong who, on behalf of the government and people of Cambodia, thanked the Royal Thai Government for its timely aid to the flood-hit Cambodian population.

The Thai deputy foreign minister, for his part, stressed that the Thai Government and people are concerned with the fate of the flood victims in Cambodia.

"Thailand has offered this disinterested aid in response to the plea of Prince Sihanouk, chairman of the Supreme National Council of Cambodia," stressed Wichian Watthanakhun before mentioning the process of searching for a political solution to the Cambodia problem. He said the Royal Thai Government wishes to see peace restored in Cambodia. The Government of the State of Cambodia plays a major role within the SNC, he said. He expressed the hope that the forthcoming Paris conference will be crowned with success and that the Cambodian SNC will have its headquarters in Phnom Penh. [sentence as received]

Reportage on Flood Situation, Response Measures

Bou Thang Visits Areas

BK1009042191 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1200 GMT 9 Sep 91

[Summary] A party-state delegation led by Comrade General Bou Thang, member of the party Central Committee Political Bureau, vice chairman of the State of Cambodia's Council of Ministers, and chief of the Cambodian People's Armed Forces' General Political Department, accompanied by Comrade Nguon Nhel, member of the party Central Committee Political Bureau and agriculture minister, and Comrade Masah Loah, deputy minister attached to the cabinet of the Council of Ministers, paid a four-day working visit from 31 August to 3 September to northeastern provinces of Stung Treng and Kratie.

During the visit, Comrade General Bou Thang and the delegation were briefed on the flood situation and the distribution of emergency aid to the flood victims.

The delegation distributed 100 metric tons of rice, a large quantity of consumer goods, and many blankets and clothes to the flood victims on behalf of the party and government.

Comrade Nguon Nhel also held a working session with cadres in charge of agricultural sectors in the two provinces.

Joint Delegation Aids Kandal

BK1009124991 Phnom Penh SPK in French 1115 GMT 10 Sep 91

[Text] Phnom Penh 10 Sep (SPK)—Relief aid worth 5 million Cambodian riels coming from donations made by the Ministry of Trade, the Ministry of Defense, private companies, and merchants of Phnom Penh City, was recently distributed to the flood-hit people of (?Kandal Stoeng) District, Kandal Province, during a visit of a joint delegation headed by Nhim Vanda, member of the Kampuchean People's Revolutionary Party Central Committee and minister of trade.

On that occasion Nhim Vanda, also deputy defense minister and chief of the Cambodian People's Armed Forces General Logistics Department, distributed to the district's affected people relief aid made up of 1,150 scarves, 1,150 blankets, 1,150 sarongs, 1,150 bottles of sauce, five metric tons of rice, and cash totaling some 1,830,000 riels.

Om Thach, secrtary of the district's party committee, on behalf of the 1,150 affected families, deeply thanked the party and state of Cambodia and the donors for their generosity and their timely assistance to the victims.

'Heavy Toll' Inflicted in Prey Veng

BK1109062091 Phnom Penh SPK in English 0429 GMT 11 Sep 91

[Text] Phnom Penh SPK September 11—The constant swelling of the Mekong River has flooded Prey Veng Province, 90 km east of Phnom Penh, inflicting a heavy toll in terms of human lives and property in the region.

All but one of the province's 12 districts have been inundated by the river tide, reported the provincial authorities.

According to the report, more than 20,000 houses in the disaster region were washed away and 1,200 families made homeless.

Five big-sized irrigation projects were broken and 70,000 hectares of rice submerged, including 15,000 hectares in Peareang district, 10,000 hectares in Sithor Kandal, 1,000 hectare in Peam Chor, and thousands of hectares around the provincial town.

Hundreds of cattle were drowned or killed by poisonous snakes.

Great destruction is seen in the riverine district of Peam Ro which was affected by flood and storm. Five hundred houses were wrecked and 8,000 tons of rice seed destroyed, said a local official, adding that some 300 families are now facing starvation.

The losses are estimated at around 566 million riel and the provincial authorities predicted that about 30 per cent of the total rice area of 221,000 hectares would be damaged beyond recovery should the flood not recede soon.

The local weather bureau said the flood might recede later this month. It was the most severe flood since the early 1950's, it said, adding that previously two floods of comparable force occurred in 1952 and 1978.

The provincial authorities have mobilized manpower to strengthen dikes around the provincial town and along National Highway 15 in an effort to protect the town from flood which is threatening the region, an official said.

At the same time, it called on international organisations and charity people to give relief aid to the flood victims.

As result, the Partnership of America for Development in Cambodia (PADEK) has donated 250 tons of husked rice and 20,000 jute bags to the victims and lent 30 million riel to the provincial agriculture service for buying seeds.

In Peam Rou District, the local authorities have distributed 4 tons of maize as aid to the victims.

Soviet Embassy Donates Aid

BK1209071691 Phnom Penh SPK in English 0447 GMT 12 Sep 91

[Text] Phnom Penh SPK September 12—The Soviet Embassy has donated 1.5 million riel (1,370 U.S. dollars) worth of relief aid to Cambodian flood victims.

The relief raised by the embassy staff was handed over here Wednesday to Vice Premier and President of the Commission for Reception and Distribution of Aid Kong Sam-ol by Ambassador Yuriy Myakhotnykh.

Mr. Yuriy Myakhotnykh said: "Upon learning that a number of provinces in Cambodia have been seriously inundated and suffered material damage and losses of lives, all the staff members of the Soviet Embassy have raised funds to help the Cambodian flood victims. This relief aid is an expression of our sympathies and a contribution to further consolidation and development of the solidarity, friendship, and all-around cooperation between our two countries."

Vice Premier Kong Sam-ol thanked the Soviet staff as well as other individuals, companies, governments and international organizations for providing emergency supplies to the Cambodian flood victims.

SRV's Vo Van Kiet Sends Message

BK1309073191 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 0430 GMT 13 Sep 91

[Text] Comrade Hun Sen, chairman of the Council of Ministers, recently received a message of sympathy from Comrade Vo Van Kiet, chairman of the SRV's Council of Ministers.

The message underlines: After learning about the flood that has caused great loss of life and damage in a number of provinces in Cambodia, I extend to you, comrade, and through you, to the flood victims, my sincere sympathies.

I am confident the brotherly Cambodian people will be able to promptly overcome all sorts of difficulties caused by the natural calamity and restore stability to their lives and to production.

Japan Red Cross Delegation Concludes Visit

BK1009121691 Phnom Penh SPK in English 1111 GMT 10 Sep 91

[Text] Phnom Penh SPK September 10—A delegation of Japan's Red Cross, led by Deputy President Tadateru Kochoue, left here Sunday after a four-day working visit to Cambodia.

During its stay here the delegation met Health Minister Yim Chhaili; Deputy Foreign Minister Phi Thach; Cambodian Red Cross President Phlek Phirun; and representatives of the UNHCR [UN High Commissioner for Refugees], ICRC [International Committee of the Red Cross], JVC [Japan International Volunteer Center] and LIGUE [expansion unknown] in Phnom Penh.

The Japanese delegation also visited the flood-stricken areas in the provinces of Kandal and Kompong Speu.

New Soviet Foreign Minister Thanks Hor Namhong

BK1109022291 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1300 GMT 10 Sep 91

[Text] Comrade Hor Namhong, foreign minister of the State of Cambodia, recently received a message of thanks from his Soviet counterpart, Comrade Boris Pankin.

The message read: I would like to thank Your Excellency for the warmest greetings on my appointment as the Soviet foreign minister. I have assumed the position in a situation wherein my country is facing difficulties. I hope that the greetings of friendship that you have addressed to me will bring about ceaseless development in a noble manner in the relations and cooperation between our two countries based on our mutual interests and in the interest of peace.

Front Official Receives Islamic Delegation

BK1209104991 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 0430 GMT 12 Sep 91

[Summary] At the office of the Kampuchean United Front for National Construction and Defense [KUFNCD] National Council, Min Khin, chef de cabinet of the KUFNCD National Council, on 11 September received an Arab delegation led by (Ali al-Hab Sareh), office head of the World Islamic Organization in Riyadh, Saudi Arabia.

Min Khin informed his guest about the all-around developments in Cambodia during the past 12 years and the results of the recent Cambodian Supreme National Council meeting in Phatthaya. He also talked about the serious damage caused by floods in a number of provinces, and he expressed appreciation for the relations between Arabs and the State of Cambodia. The World Islamic Organization in Riyadh in particular has provided assistance in rebuilding various structures, including mosques, in Phnom Penh.

The guest in turn profoundly thanked the State of Cambodia's party, government, and front for creating favorable conditions for the delegation's visit to Cambodia and promised to disseminate among the Arabs information on the real situation in Cambodia.

Motivating Masses for Construction, Defense Urged

BK1209081991 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 2300 GMT 11 Sep 91

[Undated PRACHEACHON editorial: "The Masses and People Are Firm Driving Forces in the Defense and Construction of the Society"]

[Text] With successes scored over the past 12 years and, importantly, during the last dry season, the development of the situation on the military battlefield has reached a stage of negotiations to achieve a political solution for the Cambodian problem. The attained successes depend on our ability to effectively use combined forces, combined means, and combined measures, meaning the entire force of the great national union, to defend national independence and sovereignty and achieve national reconciliation. The successes are also the fruit of the resolution of the masses and people from all walks of life who have been actively and untirelessly involved in the common cause of the nation to gradually promote the defense and construction of the national economy.

At present, and particularly at this point in time, only with the active participation of combined forces of the masses and people can we have the upper hand on the real situation. All levels and sectors should constantly carry out the mass agitation movement and should be aware of our common complex difficulties, which still arise sharply. All of us are required to firm up and sharpen our determination and join forces with the entire great national union force to overcome all manner of difficulties in order to reach our nation's ultimate goal. Moreover, political and ideological education should be further promoted and the pacifist view that peace is at hand—causing loss of mastery, awareness, and objectivity—should be eliminated once and for all. Masses and people should be made aware of the true integrity of our party, which is always desirous of seeking a genuine peace for the Cambodian people, and chiefly aware of the need to live in peace without the return of the danger of the past. Party committees and state authorities at all levels should become closely involved with the masses and people all the time and should always pay considerable attention to promoting the people's living conditions. We should continue to motivate the masses and people to actively strive to develop the national economy and concentrate their efforts to improve the people's living conditions. It is true that when the ideological force of the masses and people is well stimulated and organized, the force will turn into the most zealous strength. We are able to solve every difficult and complicated issue if we really stand with the views of the masses and people and rely on the latter as support and strength to settle all the common problems. Whether our difficulty can be overcome depends largely on the active and vigorous participation of our masses and people. The masses and people are the firm and vigorous driving force in the defense and construction of the society. So it is imperative the make the force highly effective and take part in every social activity so as to achieve success and make headway with optimism and sublime patriotism at all times.

Repair of Bridges in Stung Treng Reported

BK1109045491 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 2300 GMT 10 Sep 91

[Summary] In August, the bridge and road department of the Communications, Transport, and Posts Service of Stung Treng Province [northwestern province adjacent to Vietnamese border], repaired three bridges along National Route 13 between O Chunlung and O Pong Moan. Of the three bridges, two were completely rebuilt and one repaired. The O Pong Moan bridge was replaced with an iron one.

Over the past eight months or more, the provincial communications, transport, and posts service has repaired 19 bridges along National Route 19, representing 90 percent of the annual plan. The majority of the new bridges have been repaired or rebuilt with timber and are fairly strong. They range from 3 to 27 meters in length with an average width of 4 meters.

Recently, the local service made plans to repair another bridge at Sre Pork along National Route 19. This bridge is 252 [as heard] meters long and 4 meters wide.

Indonesia

Energy Consultations With Australia Open

BK0209133691 Jakarta ANTARA in English 0827 GMT 2 Sep 91

[Text] Jakarta, Sept. 02 (ANTARA-ECOANA)—A total of 33 foreign oil and national private companies have expressed their interest to invest in the Timor Gap, a Mining and Energy Ministry official disclosed here on Monday.

They are interested to invest in the Indonesia-Australian cooperation area of Zone A which is divided into 14 mining blocks, the director general of oil and gas, Suyitno Patmosukismo, said.

The administrative arrangement in the Timor Gap which has much potential in oil and gas was made in line with the agreement made in the first meeting of the Indonesian-Australian Ministerial Council in Bali last February and was signed by the offices of the Timor Gap authority body in Jakarta and Darwin, Australia.

Based on the agreement made by the two countries, the Timor Gap is divided into three working areas namely Zone B which is fully located in the Indonesian territory, Zone A, a zone of cooperation and Zone C which is part of the Australian territory.

Since the operation of the Timor Gap Authority Body last March, Indonesia has sent investment offers in zone A to 60 foreign oil companies operating in the country and 10 national private companies.

Australia, meanwhile, has offered the area for investment to 60 companies upon the basis of production-sharing contracts.

"All proposals from companies which are interested to invest in the Timor Gap are expected until next October at the latest," he said.

The names of the companies whose proposals to conduct exploration in Zone A are approved will be announced during the second Ministerial Council meeting in Australia next December, according to plans.

"If God wills, exploration activities in Zone A will start around the year 1993," he said.

Suyitno spoke after opening an Indonesia-Australia consultation meeting on energy and resources.

He led the Indonesian delegation to the meeting along with his Australian counterpart Peter Core, who is the executive director of the Australian Ministry of Primary Industry and Energy.

This is the third meeting since the signing of the memorandum of understanding by the Australian Minister of Natural Resources and the Indonesian Minister of Mining and Energy in August 1989.

The two-day meeting will discuss energy and mineral resources development and their marketing problems.

Indonesia wishes to know about coal problems while Australia liquefied natural gas development. "We wish to learn from Australia, which is one of the biggest coal exporters, things relating to management and clean coal techniques," he said.

Australia, meanwhile, wants to learn Indonesia's experience in liquefied natural gas industry and marketing.

Australia started its liquefied natural gas industry only in 1989 while Indonesia in the 70s.

Pertamina Signs Oil Production-Sharing Pacts

BK0609120791 Jakarta ANTARA in English 1026 GMT 6 Sep 91

[Text] Jakarta, Sept 6 (OANA-ANTARA)—The state-owned oil company Pertamina signed production sharing contracts for oil exploration with five foreign oil firms and one national private company here on Friday.

The contracts were signed by Pertamina President Director Faisal Abda'oe and the representatives of the six companies in the presence of Minister of Mines and Energy Ginanjar Kartasasmita.

The companies which signed the contracts with Pertamina included Bow Valley (Tesco) Limited of Canada (operation area in Riau), Marathon Petroleum Tiram Limited of the United States in cooperation with Pt. Dwinusa Artha Mandiri of Indonesia with operation area in Natuna. Pertamina also signed similar contracts with Atlantic Richfield Kalosi limited of Bermuda, Hunt

International Petroleum Company of the United States which respectively will operate in South Sulawesi and in Padang Panjang, West Sumatra.

Chevron International Kalumpang Limited of Bermuda and Texaco Exploration Kalumpang Corporation of Liberia will undertake oil explorations in South Sulawesi.

Pt. Petronusa Bumibakti of Indonesia which independently takes part oil exploration activities will operate in Riau.

Minister Ginanjar in his address said that the participation of a national private company in oil and gas exploration activities was a thing to be proud of.

"This reflects the progress achieved by a national private company in capital and technical capability," the minister added.

He said Pertamina has this year signed 22 production sharing contracts and this number is still expected to increase at the end of the year.

The increasing number of production sharing contracts signed by Pertamina with its contractors is proof of the interest of foreign companies in Indonesia's oil exploration activities, the minister said.

The state-run firm signed 10 similar contracts in 1988, 19 in 1989, and 17 contracts in 1990.

Pertamina exploration and production director Gas Nayoan said that his firm had signed 68 contracts with an investment worth 3.76 million U.S. dollars over the past four years.

Fourteen of these contracts or about 21 per cent had operation areas in eastern Indonesia, he added.

Air Link to Papua-New Guinea Province Approved

BK1209120991 Jakarta ANTARA in English 1147 GMT 12 Sep 91

[Text] Merauke (Irian Jaya), Sep 12 (ANTARA)—An Indonesia-Papua New Guinea [PNG] meeting has approved a proposal for the opening of a direct flight between Merauke in the Indonesian province of Irian Jaya and Daru in PNG's Western Province. The accord was reached in a Border Liaison Meeting (BLM) between the delegates of the two countries here on Wednesday, PNG chief delegate Mataio Rabura said. The opening of a Merauke-Daru air link was proposed by the Indonesian delegation as cross border trade had increased much between Irian Jaya and Western Province, PNG, Rabura said, instantly endorsed the proposal as air link between Merauke and Daru will certainly boost cooperation and friendship between the peoples of the two countries. The agreement reached in the BLM will have to be submitted to the governments of both countries for consideration. If approved, the two countries' airlines will make plans to realize flight connection. A Merauke-Daru link will be the second regular flight between Irian Jaya and PNG, after the running of a regular link for several years now between Jayapura in Irian Jaya and Vanimo in Sandaun Province. The Jayapura-Vanimo route is served weekly by an Air Nugini's Fokker-28. Head of Merauke regency R. Sukarjo told ANTARA the envisaged new air link would contribute to the growth of Merauke as a transit for tourists from PNG, Australia, and New Zealand wishing to visit Indonesia. Thousands of tourists from the three countries are expected to come to Indonesia through Merauke, the area of the renown Asmat tribe.

Official Denies U.S. Stations Plan Broadcasts

BK1109104191 Jakarta THE JAKARTA POST in English 4 Sep 91 p 3

[Text] Jakarta (JP)—A senior information ministry official denies that the United States television networks CNN and ESPN will soon broadcast their programs here.

Director General of Radio, Television and Film Alex Leo Zulkarnaen said here yesterday in a press conference that the ministry had not issued permits for the Cable News Network (CNN) or International Entertainment and Sports Programs Network (ESPN) to broadcast here.

"We can't have foreign broadcast interrupt our own programs," he said.

Both CNN and ESPN recently announced that they had signed agreements with the state telecommunication firm, Perumtel, for the lease of transponders of the national Palapa-B2 satellite which they planned to use for broadcast in Southeast Asia, including Indonesia.

Their service would be available to clients in Indonesia who leased special decoders from them, the U.S. companies said.

However, Zulkarnaen said only the information ministry and not Perumtel had the authority to issue broadcasting permits.

"The transponders themselves could be used for multipurposes... Both networks could use the transponders for broadcast in Malaysia or Thailand, for instance."

Both CNN and ESPN were reported to have signed agreements for three years lease worth U.S.$1.1 million per year and to be planning to start broadcasting to Southeast Asia by the end of this year.

MEDIA INDONESIA daily reported that both networks also planned to establish a cooperation with Indonesia's private television station RCTI [Rajawali Citra Televisi Indonesia].

The daily quoted Zulkarnaen as saying that any cooperation for broadcasting foreign media here was prohibited by a ministerial decree. Yesterday he elaborated by saying that RCTI's weekly programs airing CNN reports and ESPN sports programs did not violate the regulation as the station was only subscribing to both companies.

"That's not a direct broadcast," he said.

During the last few years, Indonesian people have been able to receive direct broadcast from CNN and other foreign television networks through parabola antennas.

Zulkarnaen acknowledged that the information ministry faced difficulties in establishing regulations for broadcasting activities due to the rapid technology development.

"For example, when a decree was issued there were no such things as parabola antennas. How do we define such equipment? Is parabola antenna broadcasting or receiving equipment only?" he asked.

The press briefing was held in connection with the 46th anniversary of the state-owned radio station RRI [Radio Republik Indonesia].

Suharto Opens Projects; Urges Fishery Activities

BK1109111391 Jakarta ANTARA in English 0959 GMT 11 Sep 91

[Text] Manado, Sep 11 (ANTARA-ECOANA)—President Suharto has called for enhancement of fishery activities, particularly in the Exclusive Economic Zone (EEZ) due to the great fish potential of the zone which is able to supply adequate basic material for the fish canning industry.

"If we do not enhance fishing activities, particularly in the EEZ, it would be no surprise at all if fish canning plants lack the basic material", the president stressed at the inauguration of a number of development projects in the district of Minahasa, about 20 kilometers from Manado, North Sulawesi's capital city, on Wednesday.

The projects which were inaugurated by the head of state covered projects in the field of tourism, road construction, pearl breeding and industry, fish canning, timber processing, active carbon production, as well as a drinking water project and the governor's office.

The president went on to say that many things had still to be done in the fishing industrial sector, among other things the fishing fleet should be increased, fishing-ports should be built and efforts carried out to have fishing-boats operating in Indonesian waters, sell their catch in Indonesian ports.

As such, the president added, the catch could be processed in fish canning factories in Indonesia, thus providing the Indonesian people with a bigger added value.

Meanwhile, the president considered the tourist industrial sector of no less importance, because it could become the driving force of the economy and of the life of the people in general.

Activities in the tourist industry which formed a chain of activities with transportation, the hotel industry, handicraft activities, were able to employ substantial numbers of workers and in the same time contributed to the equitable distribution of development, the head of state remarked.

North Sulawesi was one of the regions which had great potential in developing the tourist trade, because of its scenic beauty and open society, President Suharto said. Therefore, the president believed that if air and sea communication facilities could be enhanced, the flow of foreign tourists to this region would certainly increase.

The president also welcomed the establishment of an active carbon factory which used coconut shells as basic material because North Sulawesi had long been known as a main copra producing region.

The president, in another part of his address said that the completion of several development projects would enhance the people's welfare and encourage them to work more diligently.

The president on the same occasion admitted that challenges confronting this region were great indeed, but other regions in the eastern part of Indonesia were also faced with similar challenges, where communication facilities and infrastructures had still to be built, skilled workers to be trained and the necessary development funds to be increased.

He went on to say that the results of the development efforts were currently enjoyed by the Indonesian people.

"Life at present is more enjoyable than five years ago, the more so if compared with 25 years ago before the serious implementation of Indonesia's development, President Suharto asserted.

Military Asked To Stay Out of Labor Dispute

BK1109074691 Hong Kong AFP in English 0732 GMT 11 Sep 91

[Text] Jakarta, Sept 11 (AFP)—A labour solidarity group, alleging intimidation by troops against workers, appealed Wednesday to the Indonesian military to stay out of a labour dispute in a giant tyre manufacturing firm.

The Solidarity Group for the Struggle of Workers in Pt Gajah Tunggal also urged the government not to take sides in the dispute between 14,000 workers and management of the tyre company, based in nearby Tangerang.

The demands were presented to the leaders of the Armed Forces faction in parliament by representatives of the group, which was formed by 11 non-government organisations including the influential Legal Aid Foundation and the independent trade union movement Setia Kawan (Solidarity).

The group said four battalions of troops were despatched to quell a protest by the 14,000 striking workers in August. Following that, there was a series of incidents of intimidation against some of the workers' representatives, some of whom were detained and beaten and accused of being communists.

The workers were demanding higher pay and better working conditions but they subsequently returned to work after management promised to meet their demands. Smaller protests have since erupted, however, on charges that the company had not made good on its promises.

The group, in a statement, called "for an end to all repressive actions in settling the labour dispute" and "for an end of all forms of military interference."

It also urged the government to scrap regulations that prevented workers from forming an independent trade union within the company.

Coordinating Minister for Political and Security Affairs Sudomo last month justified the use of troops in putting down labour unrest, which he said was threatening national stability and impeding economic progress.

Manpower Minister Cosmas Batubara, however, condoned the strikes, saying workers were simply excercising their rights. He has also blamed most of the recent spate of strikes on companies which failed to meet official minimum wage levels.

Oil, Electricity Projects To Be Rescheduled

BK0909113391 Jakarta ANTARA in English 1013 GMT 9 Sep 91

[Text] Jakarta, Sep 9 (OANA-ANTARA)—A number of large oil/gas and electricity projects funded with commercial loans in Indonesia will be rescheduled, Minister of Mines and Energy Ginanjar Kartasasmita said here on Sunday.

The rescheduling will be carried out in cooperation with an external commercial loan management team chaired by Coordinating Minister for Economy, Finance and Industry/Development Supervision Chairman Radius Prawiro, Ginanjar said when closing an orientation course for journalists.

The team is composed of ten ministers, including Ginanjar Kartasasmita and Bank Indonesia Governor Adrianus Mooy.

It is in charge of coordinating external commercial loans—outside the IGGI [Inter-Governmental Group on Indonesia]—and other official aid for the government, state-firms, and private businesses.

Ginanjar said that in the near future he would conduct an inventory on projects and discussed it with the team to decide whether it would be beneficial to reschedule a certain project.

The large-scale projects which are expected to be rescheduled include the Export-Oriented Refinery (EXOR) II and III projects, the Paiton VII and VIII steam-powered plants, South Sumatra pipeline networks, a private electricity project in Bekasi and a Geothermal project in Cilegon.

I will discuss the benefit or disadvantage with the team before a project is rescheduled, the minister said.

The rescheduling of an electricity project could cause electricity shortage in the future, he added.

In his lecture on the country's coal potential, the minister said that Indonesia had large-coal potential that would replace the role of the decreasing natural oil and gas in the future.

There is no need for Indonesia to be worried that it would affect its environment if it develops coal because it could be overcome with high technological know-how, the minister said.

Indonesia produces 10 million tons of coal annually, fueling about six million tons (of them) for generating electricity plants and industries.

It would not affect the environment, even though Indonesia used 100 million tons, the minister said, adding that China produced about one billion tons and fuel about 600 million tons of them.

Referring to the prospect of coal development in Indonesia, the minister said that the country would produce about 15 tons annually at the end of Pelita V (Fifth 5-Year Plan 1989-94) and about 50 million tons by the end of the 20th century.

Weekly Withdraws East Timor Protest Report

BK0409140291 Hong Kong AFP in English 1345 GMT 4 Sep 91

[Text] Jakarta, Sept 4 (AFP)—Indonesia's leading weekly TEMPO, in the face of official pressure, has withdrawn a report on complaints of exploitation lodged by a group of youths from East Timor, Chief Editor Gunawan Mohamad said Wednesday.

Speaking at a lunch with foreign correspondents here, Gunawan said that following a visit by two officials of the Armed Forces' Information Office last weekend, TEMPO had to kill the story and left a blank half page instead in its September 7 issue.

A group of 29 youths from the former Portuguese colony of East Timor—which Jakarta unilaterally annexed in 1976—claiming to represent 355 people from the province, communicated their grievances to MPs August 30.

They said 72 of them had been recruited by Tiara Indonesia, a private foundation chaired by President Suharto's eldest daughter, while the rest were hired by the local chapter of the manpower ministry with promises of good-paying jobs in industrial Batam island, south of Singapore, and in Java.

They all ended up working as cheap labour for industries in Java, they said.

Gunawan said three weeks before the visit, the magazine had ignored an official call to drop a story on the abduction of a rich ethnic Chinese businessman in East Java.

Ethnic Chinese economic domination has been widely debated in public in the past months and President Suharto Tuesday called on all parties to avoid blowing up the volatile issue pitting Indonesians against their ethnic Chinese compatriots.

"The officials were very smooth but I knew that if I did it twice, there is no question TEMPO would have serious problems," Gunawan said.

The authorities would have likely withdrawn the magazine's publishing licence if the warnings had been ignored a second time, a move that would effectively have closed down the 160,000 circulation TEMPO, he said.

Gunawan said the article on the plight of the East Timorese youth did not mention the link between the case and the first family. Observers here pointed out that several Jakarta newspapers had already published the story in detail the day after the East Timorese went to parliament.

Meanwhile, one of the 29 people who went to the parliament was taken to the Army Commando Headquarters on August 31, sources close to the group said Wednesday, adding that Luis Maria Lopes was interrogated.

Another of the East Timorese, fearing arrest, had gone into hiding.

Laos

Nouhak Phoumsavan Lectures on Constitution

BK1209045591 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 11 Sep 91

[Text] On 9 September at the Pho Kaduat Meeting Hall in Savannakhet Province, Nouhak Phoumsavan, chairman of the Supreme People's Assembly [SPA], gave a lecture on the contents of the new constitution and some laws which have just been promulgated at the gathering of more than 300 leading cadres from many districts and services in the province.

At the lecture, the SPA chairman noted the role and significance of the promulgation of the first constitution and other laws. He pointed out that the development constituted a new step in the transformation of the style in the management of state and society from relying on lines, policies, resolutions, and decrees to on the constitution and laws. At the same time, he also noted the basic contents and objectives of the constitution and laws whose essence is to outline a procedure for social activities and state management. For an effective organization of the implementation and a just and correct enforcement of these documents, the SPA chairman called on all leading cadres, combatants, state employees, and multiethnic people to organize sessions to study their contents so that they would be able to thoroughly appreciate and understand their substance.

Phoun Sipaseut Greets DPRK Counterpart

BK1109130091 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 11 Sep 91

[Greetings message from Foreign Affairs Minister Phoun Sipaseut to DPRK Foreign Affairs Minister Kim Yong-nam in Pyongyang; dated 9 September]

[Text] On the occasion of the 43rd anniversary of the DPRK National Day on 9 September, I would like to extend my warm salutations and best wishes to you, comrade, and through you to the DPRK Government and all fraternal Korean people, especially the personnel of the DPRK Foreign Affairs Ministry.

Over the past 43 years, the heroic fraternal Korean people under the leadership of the Workers Party of Korea have resolutely fought to win great victories in the cause of the struggle for national independence and national defense and construction, as well as in the struggle to achieve peaceful and sovereign national reunification.

Our foreign minister also expressed confidence that the relations of friendship, solidarity, and cooperation between the two parties, states, and peoples, especially between our two Foreign Ministries, will be incessantly developed for the interests of the Lao and Korean peoples and for peace and security.

Officials Attend DPRK National Day Reception

BK1109125491 Vientiane KPL in English 0911 GMT 11 Sep 91

[Text] Vientiane, Sept 11 (KPL)—Ambassador of the Democratic People's Republic of Korea to Laos Mr Chang Yong-chun on September 9 hosted at his embassy here a reception marking the 43rd National Day of the DPRK.

Among guests to the reception were Lao Foreign Minister Phoun Sipaseut, President of the Lao Committee in Support of Korean Peaceful Reunification Maisouk Saisompheng, and heads of diplomatic corps and of international organisations in Laos.

Oudomsai Military School Built With SRV Help

BK0609135591 Vientiane Vitthayou Hengsat Radio Network in Lao 1400 GMT 5 Sep 91

[Text] A ceremony was recently held at the military command of Oudomsai Province to hand over the regional military training school to the military command of the province. The school was built with the assistance of the 379th Division, the Second Region Army of the SRV, in accordance with an agreement reached on 10 December 1990 between the Ministries of National Defense of Laos and Vietnam.

The construction commenced on 15 April this year and was basically completed on 21 August. The project is aimed at strengthening to a higher degree the relations between Laos and Vietnam in general, and the relations between the Lao and Vietnamese armies in particular.

UNHCR Grants Aid to Repatriates in Sayaboury

BK1109125891 Vientiane KPL in English 0925 GMT 11 Sep 91

[Text] Vientiane, Sept 11 (KPL)—Since early this year, the United Nations High Commissioner for Refugees (UNHCR) has granted 23 million kip aid fund to Sayaboury District, the province of the same name.

The fund is for the construction of four reservoirs, for the land clearing, for the purchase of 45 cattle worth six million kip for the repatriates, and for the drilling of seven wells.

Chinese Company's Construction Projects Reported

BK0409052491 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 31 Aug 91

[Text] According to China's Yunnan paper, the international economic and technical cooperation company of Yunnan Province is positively stepping up economic and technical cooperation with Laos in rubber plantation, the setting up of hydroelectric works, mining exploitation, and auto repairing. It has also tendered for more international projects in Laos.

At present, the company has built some 20 cooperation projects involving construction work in various fields in Laos, including the building of an airfield in Luang Namtha Province and the building of a cement factory capable of producing 73,000 metric tons of cement. In addition, it has now made preparations to submit tenders on the building of other construction projects worth tens of million dollars.

Japanese Donates Books to Lao National Library

BK0709093691 Vientiane KPL in English 0859 GMT 7 Sep 91

[Text] Vientiane, Sept 7 (KPL)—A Japanese at the UNESCO Cultural Research Centre in Tokyo, Ms. Okawa Reiko, on Sept. 4 presented over 600 books to the national library director, Ms. Khongdeuane Nettavong.

One of the books—some in Lao—was Ms. Okawa Reiko's own work called "the Butterflies of Laos."

She has given photo and books exhibitions on the country and the proceeds have been donated [to] the national library here to be used in small mobile library units.

Earlier, Ms. Chanthason Inthavong, president of the association of the pictorial children's books for Lao children in Tokyo also sent 1,000 copies of books for children translated into the Lao language to the national library.

Reports Note Inspections of Flood Areas

Nouhak Phoumsavan in Savannkhet

BK1109125291 Vientiane KPL in English 0905 GMT 11 Sep 91

[Text] Vientiane, Sept 11 (KPL)—President of the National Assembly Nouhak Phoumsavan, talking to Savannakhet provincial authorities and officials from all districts there on September 9, said that the administration at all levels must find all possible ways to overcome difficulties now facing people in flooded areas in the province.

This year, Savannakhet has planted over 80,500 hectares of wet rice, however some 19,500 hectares of which have been damaged by flood. So, rice shortage there is imminent.

To reduce as much damages as possible, the province has planned to promote production in the dry season second rice, industrial crops and cash crops. Normally, second rice plantation there can be done only on 12,000 hectares. But for 1991-92, about 2,100 hectares of it will be tried.

According to the plan, the province needs hundreds of million kip to buy seeds, chemical fertilizer, pesticide, equipment and material for improving irrigational system including water pumps.

Khamtai Siphandon in Champassak

BK1009101291 Vientiane KPL in English 0906 GMT 10 Sep 91

[Text] Vientiane, Sept 10 (KPL)—Prime Minister Khamtai Siphandon on 7-8 September visited people in three districts of Champassak [Province] still being flooded.

The prime minister discussed with the people about measures to alleviate the damages as a result of the flood which will cause rice shortage for the next year.

He called on the communities to engage in replantation of damaged areas with short-term rice variety and in second rice and starchy crops plantation, in addition to increasing livestock and promoting handicraft production to promote income.

FAO Team Conducts Inspections

BK1009104091 Vientiane KPL in English 0901 GMT 10 Sep 91

[Text] Vientiane, September 10 (KPL)—FAO's representative to Laos Dr. Francis J. Mustapa together with a team of Lao technicians from different ministries late last week made inspection tours of Khammouane, Savannakhet, and Champassak Provinces—areas first struck by flood in central and southern Laos.

During their trip the visitors heard reports on flood damage to rice crops in each province then toured the flooded areas in the three provinces. They saw the extensiveness of the flood over many areas, hence affecting production and the normal life of the local people.

In Khammouane, of the 38,000 ha rice plantation, 13,600 ha have been damaged by flood. The estimated rice harvest will reach only over 105,000 tons. Thus the rice shortage will be over 25,000 tons of paddy or over 12,000 tons of polished rice.

In Savannakhet, of the 80,533 ha rice plantation, about 19,580 hectares have been damaged by flood and drought. The total rice yield is estimated at just over 150,700 tons. So the rice shortage will account for 20,170 tons of husked rice.

In Champassak, of its 72,190 ha rice plantation, over 17,800 hectares have been flooded, 14,300 hectares of which is expected to be damaged. The total rice harvest in the province will be only over 138,170 tons of paddy. This indicates that the rice shortage there will be about 30,000 tons of paddy.

However, these were only initial figures reported. Still many districts have not been able to provide detailed data because of the prolonged flood. So changes for the worse in the figures are expected. Among other adverse effects to rice crops the flood may be followed by drought, pest, and other epidemics.

Agriculture Ministry Assessment

BK1109125691 Vientiane KPL in English 0914 GMT 11 Sep 91

[Text] Vientiane, Sept 11 (KPL)—The Ministry of Agriculture and Forestry yesterday held here a two-day meeting assessing the nationwide anti-natural disaster campaign in this rainy season under the chairmanship of its minister, Sisavat Keobounphan.

The meeting heard reports on the activities of the campaign to cope with drought, floods, and pest damage by the heads of the task teams dispatched to the nine provinces stricken by natural disasters. The nine drought-stricken provinces include Luang Prabang, Sayaboury, Vientiane, Bolikhamsai, Khammouane, Savannakhet, Saravane, Champassak, and Vientiane Prefecture.

According to the reports, Laos this year has 403,412 hectares [ha] arable land—out of which 92,955 ha are damaged. The total harvest of wet rice cultivation and upland rice cultivation is expected to reach 1,089,451 tons only while the national demand amounts to 1,274,700 tons. The country needs 185,249 tons of rice to avoid rice shortage.

The reports further revealed that there were 8,203 ha arable land throughout the country affected by drought, 60,701 ha by floods, and 6,233 ha damaged by pests.

Philippines

Further Developments in U.S. Bases Treaty Issue

Rejection To Affect 'Debt Plan'

HK1109072491 Manila PHILIPPINES NEWSDAY in English 11 Sep 91 p 8

[By Rexie M. Reyes]

[Text] The government will have a harder time getting funds from foreign creditors, particularly foreign commercial banks, if the Senate rejects the RP [Republic of the Philippines]-U.S. Treaty of Friendship, Security and Cooperation, Central Bank [CB] Governor Jose L. Cuisia Jr. said yesterday.

The government is expecting a new financing package from foreign banks which will bring in $2.3 billion in cash and debt relief and reduce the country's debt stock by $1.5 billion.

However, if the Senate rejects the treaty, Cuisia said foreign creditors, especially the banks may get "mixed signals" on the country's political stability, jeopardizing the temporary accord reached recently on the financing package.

"It's not going to be war on the Philippines, so far as the outside world is concerned, but this is going to hurt this country," said a Manila-based Western banker.

Economists said rejecting of the country's military bases pact with Washington by the Senate could jeopardize a $900-million economic stabilization package from the International Monetary Fund and wreck a proposed scheme to restructure $5.3 billion of commercial bank debt.

"To a great extent it depends on the American response, but they will now have great difficulties getting this debt plan through," the banker, who did not wish to be identified, said.

Other CB officials interviewed said "we could just be scaring ourselves" by linking the new money package with the treaty, but the fact remains that it will be more difficult to talk to creditors if the treaty is not accepted, they pointed out.

Other government economic officials warned the Senate of the adverse effects the treaty's non-ratification would have on the economy during last week's hearings conducted by the Senate foreign relations committee.

Socio-Economic Planning Secretary Cayetano W. Paderanga said the projected overall economic growth of 1.5 percent this year will not be "achievable" while the 1992 growth rate will drop from the original target of 3.9 percent to 3.4 percent.

Cuisia added that the financing gap for 1991-1992 will expand to $3 billion from the $2.6-billion recently-revised projection. This means the government will have to find more sources of financing to bridge the bigger shortfall. At present, the government is already hard pressed to support the earlier projected gap.

"Just when the Philippines is poised to join Thailand, Indonesia and Malaysia in growing at rates of 7-10 percent per annum during the 1992-98 period, it makes no sense to antagonize the leading military power in the world and the biggest market for Philippine exports," said economist Bernardo Villegas.

The subic Naval Base and the Clark Air Base contributed around 1.3 percent of the country's gross national product (GNP) through purchases of goods and services, spending by U.S. personnel and direct financial compensation, according to Paderanga.

A significant reduction in loans and aid from the United States and other foreign creditors and donors as well as the possible loss of the American market for major export products would translate into lower economic growth, he said.

The country's real GNP fell 0.23 percent in the first half of the year, compared with 5.8 percent a year earlier, because of the Gulf crisis and a series of natural disasters.

Villegas, an economist with the private think-tank Center for Research and Communication, said the Philippines could now see zero GNP growth for the next two years, against a government target of 4.0 percent for 1992.

Debt reduction schemes of the government will also be affected since the U.S. government wields a major influence in multilateral institutions such as the IMF and the World Bank and it may use this to withdraw funds intended for the country's debt relief strategies.

Government sources said Japan, the country's largest donor and creditor, may decide to gradually cut down its official development assistance (ODA) to the Philippines if the bases treaty is not ratified.

Japan's ODA comprises 40 percent of the total received annually by the Philippine government.

The Japanese government, according to informed sources, has also offered the Philippine government a debt reduction package in exchange for a treaty ratification.

Japanese embassy sources, however, said there is no link between Japan's aid and the U.S. bases.

Senate foreign relations committee head Leticia Shahani, who supports the treaty, said she believes the United States would withdraw its troops gracefully if the treaty were rejected.

But businessmen fear pressure may grow in the U.S. Congress to curb Philippine sugar and garment quotas.

The country's commercial creditors, many of whom are American banks, would be less willing to lend fresh money and participate in a debt buy-back plan for the Philippines after a rejection of the treaty, bankers said.

The IMF program could also be frozen if the country fails to meet agreed fiscal targets. Payment of a third tranche of the $900-million loan has already been delayed until an October review because of difficulties in meeting money supply and revenue targets. The money was to have been paid in August.

Removal of IMF support could plunge the country into fresh economic difficulties ahead of national elections scheduled for next May, business leaders added.

Rejection Threatens Loan Package

HK1209045691 Manila BUSINESS WORLD in English 12 Sep 91 p 9

[Text] Foreign creditors have threatened to abort negotiations for the $1 billion jumbo loan package if the Senate rejects the military bases treaty between the U.S. and the Philippines, the Department of Finance [DOF] said yesterday.

A DOF official who requested anonymity expressed fears the structural adjustment loan, totalling $800 million to $1 billion, could be tied up to the bases issue.

Among the foreign creditors which will provide the jumbo loan are the International Monetary Fund, World Bank [WB], Japan Export Import Bank and the Asian Development Bank [ADB].

Part of the loan will be used to finance the buyback of Philippine debt on the secondary market.

The WB and the Japan Ex-imbank have each committed to provide $300 million; IMF, $200 million and the ADB, $100 million. If the package does not materialize, the Philippines would be able to draw upon the remaining $50 million under a World Bank debt management loan.

The DOF official pointed out that the IMF and the WB, two of the world's largest financial institutions, were both controlled by the U.S.

Japan, a major ally of the U.S. is also supporting the retention of the U.S. military bases in the country to promote regional security.

"At this point, we have not gotten any formal communication that the package is linked to the bases treaty but we fear that this condition was not stated to us before," the official said.

The official also said the loans earlier approved for release this year and next year would also be jeopardized if the treaty was rejected. He failed to disclose the amount of loans tied to the bases issue.

The structural adjustment loan is expected to provide the enhancement to the $2.3 billion new money and debt relief deal which the Philippines was able to get from its foreign commercial creditors last month.

While the loan package will be used for the development projects, the country's investment program, the Philippine capital market development program and the improvement of the services of the Bureau of Customs, the loan could also be used to support the balance of payments.

The Philippines needs at least $800 million in official resources to implement a meaningful debt buyback similar to the one initiated in January 1990 which retired $1.3 billion of the country's foreign commercial debt.

Issue Causes Stock Market Plunge

HK1209071491 Manila BUSINESS WORLD in English 12 Sep 91 p 9

[Text] Pandemonium broke out on the stock market yesterday as investors reached the end of the tunnel and saw no light for the bases treaty.

Share prices, which lost 4 per cent on Monday and by 3 percent Tuesday, plunged by more than 5 percent yesterday as a result of the panic-selling.

"People kept on calling and barging into their agents to sell their stocks," said Irving Ackerman, president of a brokerage firm that bears his name.

"The scene reminded me of the 1989 December coup," he said.

Ackerman observed at the opening of yesterday's trading the market appeared to be recovering slightly. But share prices dropped dramatically from 9:45 a.m. when investors started selling their stocks.

"We were all hoping for a minimal improvement on the market during the opening of the trading but the massive selling of stocks aborted our optimism," Ackerman said.

Share prices at the Makati Stock Exchange dropped by another 38.88 points to 907.86, or almost 5 percent from Tuesday's closing.

Total turnover was 772.12 million shares valued at P[Philippine peso]141.83 million.

The commercial-industrial sector was the hardest hit by the pandemonium with the index plunging by 62.01 points to 1,331.95. The mining sector was also affected with the index plunging by 20.911 points to 2,4033.62 and oil by 0.0338 to 6.035.

The market was more depressed at the Manila Stock Exchange [MSE]. The MSE composite index dropped by 51.33 points to 895.28. Total turnover was 306.32 million shares valued at P64 million.

Ramon Nadal, MSE market analyst, attributed the chaos to the failure by President Corazon Aquino to win the hearts of anti-bases senators.

Aquino, together with some of her cabinet members, staged a rally at the Senate on Tuesday to press for the ratification of the bases treaty.

The president said the rejection of the treaty would create a doomsday scenario for the economy.

Ackerman said the climate on the local market was worse yesterday than during the week-long 1989 coup since investors and analysts lost their hope of an immediate market recovery.

"The only way for the market to rebound is for Aquino to make a miracle."

Police Accused of Harassment

HK1109073991 Quezon City MALAYA in English 11 Sep 91 pp 1, 2

[By J. Cadacio and R. Doloricon with Jimmy Perez]

[Excerpts] Anti-bases demonstrators yesterday assailed policemen for blocking their march to the Senate and allowing pro-bases demonstrators to eat onto the time allotted them by Mayor Gemiliano Lopez.

The anti-bases advocates, numbering 20,000, also denounced the "arrest" of rally organizers after they insisted on proceeding to the Senate while the pro-bases rally led by President Aquino was going on.

The protesters were finally allowed to hold their rally in front of the Senate from 5 p.m. to 7 p.m. In an agreement drawn up Monday, pro-bases demonstrators were given until 3:15 p.m. to occupy the Senate grounds. The anti-bases group was to take its turn 30 minutes later.

The protesters, moving from Liwasang Bonifacio, were blocked at 4 p.m. by anti-riot policemen near the Metropolitan Theater.

Half of the group, including rally leaders, slipped through the police line, but was again blocked in front of City Hall.

When the marchers tried to breach the barricade, policemen took into custody Renato Constantino, president of the Anti-Treaty Movement; Nathaniel Santiago, deputy secretary-general of the Bagong Alyansang Makabayan [New Nationalist Alliance]; Loretta Rosales, president of Partido ng Bayan [People's Party]; Romy Capulong, chairman of the Partido ng Bayan; and former Labor Secretary Augusto Bobbit Sanchez.

After the Senate grounds were cleared of pro-bases demonstrators, the leaders were released and the marchers were allowed to proceed.

Rally organizers scrapped plans for speeches for lack of time.

Constantino accused policemen in civilian clothes of firing their guns to scare anti-bases demonstrators.

"The attack against anti-bases supporters is a clear evidence of the Aquino government's plain and simple conviction against the interest of the Filipino people," Constantino said.

"There was not a single attempt on the part of the police to ask us, politely and gently, not to proceed to the Senate," he said.

"This is a clear violation of an agreement. If the Aquino government cannot abide by a simple rally agreement, how can we trust them to run the government," Rosales said.

Anti-bases supporters, including UP [University of the Philippines] Prof. Randy David, former Constitutional Commissioner Ed Garcia, former Economic Planning Secretary Solita Monsod, and Representatives Gregorio Andolana (LDP [Struggle of the Filipino Democrats], North Cotabato), Jose Zubiri (Ind. [Independent], Bukidnon), and Rey Magno Teves (Urban Poor sector), denounced Lopez and Brig. Gen. Marino Filart, chief of the Capital Regional Command, for not honoring Monday's agreement.

"This incident manifests that we are returning to the Marcos-style fascism. The Aquino government is no different from the Marcos regime," David said. [passage omitted]

The rally, organized by the People's Caucus, was participated in by members of the August Twenty One Movement, Pinag-isang Samahan ng Tsuper Nationwide [United Organization of Drivers Nationwide], League of Filipino Students, Ecumenical Movement for Justice and Peace, Congress for People's Agrarian Reform, Alliance of Concerned Teachers, Health Alliance for

Democracy and PDP-Laban [Nation's Strength], and students from Metro Manila universities.

Ramos Warns Against Isolationism

HK1209051091 Manila MANILA BULLETIN in English 12 Sep 91 pp 1, 14

[Text] The Philippines will become an "isolationist" country if the Senate rejects the RP [Republic of the Philippines]-U.S. Treaty of Friendship, Cooperation, and Security, former defense secretary Fidel V. Ramos said yesterday.

In a television interview, Ramos said rejection will have adverse effects on the country's relations with its neighbors.

"Our neighbors in Asia and the Western Pacific Rim will look at the Philippines as a pariah or an isolationist," Ramos said.

"We occupy a very important position in the Asia-Pacific region. We should be smart enough to play these cards to optimize our position," he said.

Ramos, a leading contender for the Laban ng Demokratikong Pilipino [Struggle of the Filipino Democrats] (LDP) presidential nomination, said the local effects of the treaty's rejection are "almost terrifying" to contemplate.

Some 70,000 direct-hire jobs, he said, will be lost along with hundreds of thousands of job opportunities through service contracts the bases normally offer.

These job opportunities would be "irretrievably lost," Ramos said, adding that this loss would adversely affect the economies of the provinces of Pampanga, Tarlac, and Zambales, including the cities of Angeles and Olongapo.

These provinces and cities are also badly affected by the eruption of Mt. Pinatubo in Pampanga, he pointed out.

The former defense secretary also pointed to the weakened defense posture of the country as a consequence of the treaty rejection.

"We will not be able to modernize the armed forces even to the level of protecting our maritime borders," Ramos said.

Rejection May Affect Power Projects

HK1209063891 Manila BUSINESS WORLD in English 12 Sep 91 p 1

[By Estella B. dela Paz]

[Text] Implementation of projects of the National Power Corporation (Napocor) is not explicitly dependent on the ratification of the bases treaty, but Napocor president Pablo Malixi told BUSINESS WORLD yesterday non-ratification may adversely affect those projects which are scheduled to be on-stream in the next few years.

"We are not really dependent on the ratification of the bases treaty. But if the treaty will not be ratified, it can affect us," he said.

Mr Malixi explained that non-ratification will affect Napocor in two ways. First, financial institutions which are backing several of their main projects may not be aggressive in releasing the needed funds. Second, if investors adopt a "wait-and-see" attitude, Napocor cannot justify the projected 7% power demand growth in the next few years.

Apparently, ratification of the bases treaty is tied up with the approval of Napocor's loans by the World Bank when it meets next month, during which the power firm's creditworthiness will be assessed.

At present, Napocor has three main projects that have already been approved for foreign financing and are just awaiting final release of the loan funds.

These are the 300-megawatt Calas II in Batangas to be financed by the Overseas Economic Cooperation Fund (OECF) of Japan, the 600-MW Masinloc project in Zambales as approved by the Japan Eximbank [Export Import Bank] and the Asian Development Bank (ADB) and the 300-MW combined cycle plant in Limay, Bataan under a build-transfer-operate (BTO) contract scheme. Under the BTO, Napocor will be the borrower and the contractor and operator will help facilitate the financial packaging. However, should there be a perceived political instability, even the contractor may opt to back out. In the same way, a perceived political instability may also affect the final release of the loans.

German Official Promises Aid

HK1209065491 Quezon City MALAYA in English 12 Sep 91 p 6

[By Ellen Tordesillas]

[Text] Germany will provide additional economic assistance to the Philippines even if the RP [Republic of the Philippines]-U.S. Treaty of Friendship, Cooperation and Security is not ratified, a visiting German official said yesterday.

Hans Peter Repnik, Undersecretary for Economic Cooperation, said in a press conference he told Foreign Secretary Raul S. Manglapus that "the Federal Republic of Germany will provide some additional assistance to the Philippines."

Repnik, who is in charge of planning and organizing Germany's development assistance to countries worldwide, declined to mention specific figures. The RP-Germany annual bilateral talks will be held next month.

Renpik also said he made it clear to Philippine government officials he met during his six-day Manila visit that "whatever decision of the Senate would not influence bilateral economic cooperation."

German official development assistance to the Philippines for 1990 totalled 70 million Deutsche Marks [DM] or P

[Philippine peso] 1.4 billion. It included 60 million DM soft loans, 10 million DM for the victims of the July 1989 earthquake, and 10 million DM technical assistance.

Repnik, however, said he cannot speak how the German private investors would be affected by the pullout of U.S. bases from the Philippines.

He said he hopes for continued political stability for the Philippines because private investors "prefer locating themselves in areas where there is better stability."

German investment in the Philippines in 1990 was 11 million DM or P166 million.

Repnik, who is a member of the governing council of the Asian Development Bank, also said German economic assistance to the Philippines will not be prejudiced by developments in the Soviet Union and Eastern Europe.

"Chancellor Helmut Kohl has stated repeatedly in public that our assistance to the developing countries will not be affected by our assistance to eastern European countries," Repnik said.

In campaigning for the ratification of the bases treaty, government officials said withdrawal of U.S. bases will mean not only cut of U.S. assistance but that from other countries as well.

They also said the Philippines will have difficulty competing with the Soviet Union and other newly democratized countries in Eastern Europe for economic assistance from Western countries.

"We will not take the amount (alloted to you) for Eastern countries," Repnik said.

Manila Explores Referendum Option

HK1109093391 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 11 Sep 91

[By Rey Arquiza—italicized passages in English]

[Text] Foreign Affairs Secretary Raul Manglapus announced today that the Aquino government will try hard to find a way to have a referendum on the U.S. bases treaty despite its rejection by the Senate last night. According to Manglapus, the final decision on the U.S. bases treaty lies with the Philippine people, who should be the rightful party to decide. Manglapus said the government is now studying the minutes of the deliberations of the Constitutional Commission regarding the treaty's ratification. *If we look at the record, the minutes in particular, Father Joaquin Bernas stressed that the last say must be the people. If you look at the last word, it must be the people.* This was stressed by Manglapus. *Our main concern is the welfare of the people,* which is why the government is thoroughly studying the implementation of a referendum on the U.S. bases treaty. Manglapus' closing words were: *We are exploring several ways of reaching the goal to hold a referendum.*

Free U.S. Withdrawal Period Plan

HK1309010191 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 12 Sep 91

[Text] Six pro- and antibases treaty senators supported yesterday a resolution giving the United States three to five years to withdraw its facilities in the country after the old agreement expires on Monday, 16 September. This proposal will be included in a resolution rejecting the ratification of the new bases treaty which is scheduled for passage in today's second reading and on Monday's third and last reading.

Senator Rene Saguisag, one of the authors of the resolution, said this is aimed at giving the United States sufficient time to prepare for its transfer to another place. Saguisag clarified that the retention of the U.S. bases in the Philippines from three to five years is free and the country will not be seeking the payment of $203 million per year and they will be treated as visitors. The legislator stressed that there is no need to oblige the United States to pay $203 million per year in accordance with the 1947 Republic of the Philippines-U.S. Military Bases Agreement because the issue on compensation is the root of all the insult they [Americans] have been giving the country. He explained, however, that within the scheduled withdrawal period for the Subic Naval Base, the United States is not allowed any operations.

Possible Constitutional Crisis Viewed

HK1109075491 Quezon City MALAYA in English 11 Sep 91 p 4

[Editorial: "Referendum?"]

[Text] It seems the administration is determined not to accept a Senate vote rejecting the treaty as final. It insists on a national referendum on the question. Already bills have been filed in both houses calling for such a plebiscite, and both President Aquino and Executive Secretary Frank Drilon have announced Malacanang is ready, if asked, to certify them as administration measures.

Forcing a referendum on a non-existent treaty—because Senate rejection will have aborted it—would be an even more severe act of desperation than yesterday's demonstration. It would plunge the country into a constitutional crisis. Not a few would consider legislation providing for such a plebiscite unconstitutional, and undoubtedly will go immediately to the Supreme Court to challenge it.

Of course, if the 12 senators who have voted in committee against the treaty would also thumb down the proposed referendum, which would be a logical move on their part, then this entire issue would be academic, because the vote would then be 12-11 again in the Senate against a plebiscite bill and it would be dead.

But if somehow it passes both chambers it would surely be challenged before the Supreme Court. This would put extreme pressure on the tribunal to reach a decision as quickly as possible. If it upholds the referendum's constitutionality the Comelec [commission on elections] would have to hustle to arrange a plebiscite that will not overlap into the national elections scheduled next May. The practical obstacles seem overwhelming, and a few Comelec officials have said so out loud.

At first blush, however, it would seem that the scheme to call a referendum on a treaty that has not been concurred in by the Senate—a treaty, to repeat, that thus never came to exist—is a shameless attempt to turn the Constitution on its head. Sec. [Section] 25, Article XVII of the Constitution says explicitly the continued stay of U.S. bases in this country beyond this month "shall not be allowed...except under a treaty duly concurred in by the Senate." If the proposed treaty is not "duly concurred in by the Senate" then it shall not be, according to Sec. 21 of Article VII, "valid and effective." In other words, there will be no treaty, so what will the referendum be about?

To ignore, defy and/or bypass the Senate's clear right and authority to breathe life or not into a proposed treaty would be to mutilate the Constitution beyond recognition.

Or maybe the English language is no longer as simple and easy to understand as we thought.

Editorial Views Pro-Bases Rally

HK1109075391 Manila THE CHRONICLE in English 11 Sep 91 p 4

[Editorial: "Rally Shows Cleavage in Class Interests"]

[Text] The rally sponsored by the Aquino government yesterday at the Luneta was anti-climactic. The vote last Monday in the Senate foreign relations committee rejecting the draft treaty on the bases removed the wind from the sail of the demonstration.

The Senate vote rendered irrelevant the question whether the government succeeded in mobilizing a huge crowd. It did not matter much any more whether the demonstration was large or small. The size no longer had any impact to change some votes in the Senate after it had voted. There was a sense of futility in the exercise of the alleged resuscitation of People Power.

The rally did reveal a few things. It showed the ability of the government to mobilize people as a pressure tactic for policy objectives, but the government cannot derive comfort that if it is threatened by rebellion or facing crisis, people will be pouring to the streets to try to save it.

A second revealtion is that the political process is producing distortions that make Philippine democracy very inique. The spectacle of a president leading a demonstration against parliament has not been seen in any other democratic system.

The third revelation is that presidential influence over Congress is on the wane as Mrs Aquino nears the end of her term. This indicates that the presidency's lameduck status is more advanced than previously suspected. There is apparently a strong erosion of presidential clout over Congress. This raises the question whether the President will have great influence in the majority party, the LDP [Struggle of the Filipino Democrats] in the selection of senatorial candidates. Related to this is the question of whether she and the party will support senators who voted against the bases treaty.

The fourth revelation is that, as far as the rally was concerned, the issue in which the participants were most concerned about was jobs. This issue comes from the working class. This class has been the most degraded class in Philippine society. Economic nationalism has not helped them improve their life chances.

Nationalism has been a middle class driven phenomenon in this country, and the voices of those who argued for rejection of the treaty were those from the middle class whose jobs were not threatened by the economic dislocation at least in the bases communities.

The interests of the working and lower classes are at variance with those of the middle class. The middle class arguments—which were full of hot air about nationalism—tried to mute the jobs issue. The lower classes were unrepresented in the Senate. They found their voices in yesterday's Luneta rally.

So, the rally gave us a front-seat view of clash of class interests in the rally and in the debate in the Senate. In those two venues, we see a parliament where middle class and upper class interests find articulate expression; and a parliament of the streets, where working class interests are ventilated.

President Aquino tapped this layer of working class interests. There is a lesson that recurred in yesterday's rally. Nationalism will continue to be a vehicle for the articulation of middle and upper class interests. It has not arrived at any linkage with the working class or the masses. Because it has no linkage, nationalism's strength lies in such middle class dominated institutions as Congress. This explains why the nationalist movement in this country has been an urban phenomenon and why even brilliant Filipino politicians such as Claro M. Recto did not win a presidential election based on the platform of nationalism. Nationalist planks have very little consequence in all Philippine elections.

The working and lower classes and the peasantry have never en masse identified themselves with nationalism because they correctly perceive that it is irrelevant to them and it is indifferent to the issues of poverty and redistribution of wealth.

This wall between middle class nationalism and the lower classes provides the basis for the government's strategy to demonstrate to the Senate that it is not aligned with popular will, and that is why a referendum is so appealing to the government.

But regardless of the government's strategy, the controversy over the bases and the developments over it demonstrate vividly to us the class cleavages dividing Philippine society.

People Power Said Corrupted

HK1109081691 Manila PHILIPPINE DAILY INQUIRER in English 11 Sep 91 p 4

[Editorial: "People Power Corrupted"]

[Text] The President has gone and done it. In the face of the most eloquent arguments aired against her wilful plan to lead a rally to pressure senators into concurring with the base treaty cooked up by the two panels, Mrs. Aquino yesterday provided high drama by hiking in the downpour from Luneta to the Senate.

In a clear show of disdain for the wisdom of her betters who argued with deep concern for the dignity and traditions of the Presidency in a democracy that her desperate bent would trifle with, she did what to her mind was necessary in the interest of the teeming masses. She publicly and directly challenged the prerogatives of a coequal branch of this democratic government.

Not satisfied with this, she imputed callous disregard for the public good in those 12 senators who had voted against the treaty. She then all but branded as ingrates those senators whose election she had personally sponsored and who now had betrayed their promise to be her obedient helpmates after becoming senators of the republic. Other choice bits of the unpresidential tirade yesterday afternoon do not deserve repeating but they were enough, witnesses said, to bring a senator or two to the verge of angry tears.

Appalling as all that may have been, yesterday marked a milestone in the depths of abuse that the idea of people power can be applied. The impetus to freedom that has accompanied all events where people all over the world assembled freely to demand rectification for a perceived wrong was nowhere in evidence. What we saw was a mob bent on coercion, egged on by organizers who had the least respect for the workings of a democratic institution which, at another time, they took pride in proclaiming as one of the fruits of their selfless endeavors against a 20-year dictatorship.

And so we have come by an arduous five-year journey back to the point where it all began. The question that must be asked is: What did we really win on EDSA in 1986? We were agreed then, were we not, that it was a rebirth of democracy that we had collectively wrought. How is it then that we now hear such vituperation heaped on honorable men who cannot agree to accept what others say they should? When did we rewrite democracy to mean that principled dissent is treasonable? Why have so many of us abetted the assault on one of the pillars of our system of government by another coequal branch?

Years ago, youth and profligacy may have delivered us into the hands of a dictator despite the counsel of men of our race who knew better. Today one cannot but wonder if we have learned enough to hold our legacy of freedom more firmly in our hands. Or will it take another miracle for the gift of maturity to abide with us at last?

Yesterday many demeaned themselves by following the illogic of some national leaders who should have known better. People power was infinitely corrupted in the manipulative schemes laid out by leaders who cloaked themselves with the mantle of "national interest." We can only hope that we can survive the terrible harm we have chosen to inflict on ourselves.

Senators on Referendum Possibility

HK1309071091 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 12 Sep 91

[Text] It is possible to hold a referendum under Republic Act 6735 in order to solicit people's opinion on whether or not they want the U.S. bases to remain in the Philippines. This was stated by Senator Neptali Gonzales, but this allegedly depends on whether the United States really wants to remain in the Philippines. Gonzales explained that only 2.6 million signatures, or 10 percent of the registered voters, is needed in order to change the rejection by the Senate of the new bases treaty.

Senator Wigberto Tanada said, however, that the law on referendum cannot be applied to the treaty. For his part, Senator John Osmena stressed that it is not too late to hold a referendum because the Ramos-Rusk agreement will expire next year, as will the Manglapus-Shultz agreement which gives the United States a period of one or two years for an orderly withdrawal of its facilities.

Referendum Said Legal Possibility

HK1309011791 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 12 Sep 91

[Text] President Corazon Aquino has not given up on the issue of the Senate's rejection of a ratification of the new bases treaty. President Aquino hinted at this after calling for a multisectoral consultation in Malacanang today to decide whether or not to call for a referendum. If she failed to convince the antibases senators with the pro-bases rally on 10 September, Mrs. Aquino said, the government's last recourse is to hold a referendum.

Meanwhile, Executive Secretary Franklin Drilon said the government is considering holding a referendum since President Aquino failed to change the Senate's opinion against the treaty.

Mrs. Aquino is due to meet representatives from various sectors at 1600 on 13 September to discuss holding a national referendum in which the people will decide the ratification or rejection of the Philippines-U.S. Treaty of Friendship, Cooperation, and Security.

Drilon explained that the president's move was in relation to Senator Rene Saguisag's confirmation that a referendum can be held because this is a legal possibility under Republic Act 6735.

Overseas Filipinos on Ratification

HK1209071391 Quezon City Radyo ng Bayan in Tagalog 0230 GMT 12 Sep 91

[By Tanny Rodriguez from "Malacanang Information Service"—in English]

[Text] President Aquino today received an overwhelming support from the Filipino community and Philippine Embassies in Europe as well as in Japan and parts of the USA on the ratification of the RP [Republic of the Philippines]-U.S. Treaty of Friendship, Cooperation, and Security.

The petition submitted and sent to the president by Carlos Gamboa, president of the Filipino Unity, and Samuel Lipada, president of the Union de Trabajadores Filipinos in Madrid, Spain reads:

We leaders of Filipino workers' organization in Madrid, Spain on behalf of—and to express the desire of—the greater majority of our membership, earnestly request our most distinguished senators to consider favorably the ratification of the RP-U.S. Treaty of Friendship, Cooperation, and Security. We believe the ratification of the treaty would be a reward, as its consequence would be to create more jobs in our country. A generation of local employment is one of our most pressing problems and the treaty provides a concrete opportunity for our government to address itself to the social need. It would also hopefully relieve some of the pressure to seek overseas employment and thus avert the financial difficulties, a distressing social cost and even tragedy encountered by some of our unfortunate countrymen abroad.

We believe, in light of our present difficulties and if only to alleviate the problems of unemployment, it is a most prudent and pragmatic act of government. Signed: Mr. Gamboa and Lipada.

Meanwhile, in Washington DC, at least 52 Philippine community organizations representing thousands of members as well as hundreds of individual Filipinos, so far, have voiced support for the ratification of the bases treaty by the Philippine Senate. At least two organizations, on the other hand, expressed opposition to the treaty.

The overwhelming call in favor of ratification has been dramatized by a flood of messages and phone calls received by the Philipine Embassy from all over the United States. One petition signed by Filipinos based in Washington DC, Maryland, Virginia, New York and Texas stressed that it is unwise to end the bases agreement and the special relationship between the Philippines and the United States at a time when the Philippines faces a stressful economic, military, and political future.

A conglomeration of Filipino veterans group representing 17 separate organizations in 12 major U.S. cities including New York, Chicago, Los Angeles, Houston, Philadelphia, and Washington DC, led by its national chairman Patrick Ganeo Sr., expressed hope that the Filipino senators will approve the treaty. Ganeo said it was easy to wax sentiments about nationalism and sovereignty. He said the real test of nationalism was not in sweet-sounding words but in the practical realities of many Filipinos needing employment, of raising family incomes in a calamity-stricken nation and certainly of reinvigorating the drive for justice for our Filipino World War II veterans.

The two Filipino organizations who opposed the treaty are the Campaign for Democracy and Independence and the Washington Forum, both based in Washington DC.

Meanwhile, the Council of Philippine Embassies in Europe has decided to take a stand on the Philippine-U.S. Treaty of Friendship, Cooperation and Security pending before the Senate. The resolution reads:

We, the Council of the Philippine Embassies in Europe, which is composed of all resident Philippine ambassadors duly accredited to member countries of the European Community, being concerned about the political and economic well-being of the Philippines; being concerned about the unstable and still volatile situations in the USSR and Eastern Europe, European countries and other unsettled issues in the Asian region; being concerned about the fact that European countries like Spain, Portugal, Greece, and Turkey have military basing agreements with the United States and which are able to maintain their respective sovereignty—having considered these sentiments, Europeans have entered their discussions and dialogues with officials in private sectors favoring continued U.S. military presence in order to provide security in the South East Asian region and a favorable investment climate.

Appreciating the role of the continuation of the U.S. naval facilities in fulfilling the geo-strategic responsibilities of the United States in the region and the invaluable contribution of the Philippines in achieving that responsibility; aware that the security in the region will invite conflicting regional military interest with dire consequences to the stability of the region and its economic and investment potentials sensible to the sentiments of the Filipino people, who for the foregoing reasons expressed impose their full support for the Treaty of Frienship, Cooperation, and Security; being concerned for the continuing threat from the armed insurgency being waged by the CPP-NPA [Communist Party of the Philippines-New People's Army] and the urgent need of the Philippine military to modernize and be self-reliant; being concerned by the swelling ranks of the country's unemployed brought about by the Gulf crisis, destruction wrought by the Mt. Pinatubo volcano eruptions, the loss of jobs at Clark Air Base and prospects of more being displaced around Subic Naval Base if the treaty is rejected; and having regard to the country's debt problems which can be given relief if the RP-U.S. treaty is ratified by the Senate—after having deliberated on all the aforementioned considerations, the Council of Philippine Embassies in Europe joins the Filipino people in giving its categorical and unqualified support for the Treaty of Friendship, Cooperation, and Security and calls upon the Philippine Senate to resolve its reservation, to commit to national purpose, to rally behind the sentiment of national interest and to ratify the treaty.

Signed: Council of Philippine Embassies in Europe; Ambassador to Athens Alberto Encomienda; Ambassador to Bonn, Germany Bienvenido Tan Jr.; Ambassador to London Manuel Yan; Ambassador to Madrid Juan Jose Rocha; Ambassador to Rome Jose Romero Jr.; Ambassador to Brussels and Secretary General of the Council of Philippine Embassies in Europe Roberto Romulo; and Ambassador to Paris and council President Rosario G. Manalo.

Subic Conversion Plan Proposed

HK1309060791 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 12 Sep 91

[Text] Two senators proposed that Subic Naval Base in Olongapo City be converted into a modern, big international commercial seaport and that a Metropolitan Olongapo Authority should be formed to manage the entire facility. Through a proposed bill, Senators Joseph Estrada and Ernesto Maceda said it is possible to avoid the dislocation of economy, workers, businessmen and all people directly or indirectly benefitting from the military base if the United States withdraws upon the Senate's rejection of the treaty. Estrada and Maceda said that the proposal will greatly help in the rehabilitation of Central Luzon due to the damage it sustained from the Mt. Pintubo eruption.

Antibase Senators Hold Meeting

HK1309051791 Quezon City Radyo ng Bayan in Tagalog 0400 GMT 13 Sep 91

[Text] The antibases senators are currently holding a closed-door caucus to discuss a new proposal to grant the Americans three more years to withdraw after the Republic of the Philippines-U.S. Agreement is rejected. Jojo Ysmael has the details.

[Begin recording] The new option is for the implementation of an agreement between the senators for a polite rejection if the bases treaty is rejected. Some pro-bases senators are also said to be siding with this new option as an alternative to the proposed holding of a referrendum following the initiative from the people.

Although there are some senators who are saying that the resolution for a withdrawal period might be a way of reaching a compromise, there are still those who reject the proposal.

For the pro-bases senators the withdrawal period might give the new government in 1992 an opportunity to renegotiate the treaty.

Those at the meeting are Senate President Jovito Salonga, Senators Guigona, Tanada, Saguisag, Aquino, Mercado, Pimintel, Enrile and Estrada. [end recording]

Senate To 'Outrightly Reject' Treaty

HK1309124891 Quezon City ABS-CBN Broadcasting Corporation DZMM in Tagalog 1100 GMT 13 Sep 91

[Text] The Senate, in a caucus held a while ago, has agreed to outrightly reject on Monday [16 September] the Republic of the Philippines-U.S. Bases Agreement after the majority of the Senate rejected the proposal to give the United States free three-year withdrawal period.

According to Senate President Jovito Salonga, it is embarrassing for the Philippine people to offer three more years in spite of the fact that the Americans can afford to pull out within one year. Regarding this, Salonga insisted that the withdrawal period of the American bases will follow the provisions of the Philippine Constitution.

At the same time, Salonga instructed Senate Majority Floor Leader Teofisto Guingona Jr. and Senators Sotero Laurel, Rene Saguisag, and Aquilino Pimentel Jr. to formulate a resolution that would lay down in principle the pullout of the bases.

In another related development, Malacanang and the pro-bases senators have already accepted the rejection of the bases agreement in the Senate. Nonetheless, Executive Secretary Franklin Drilon stressed that Malacanang is still hoping for ratification in another means. Malacanang will invoke Republic Act 6735 that will call for a referendum or constitutional amendment to give way to a ratification. A constitutional amendment is more likely than a referendum.

Senators Neptali Gonzalez and Edgardo Angara jointly declared that a referendum is not viable, aside from the fact that there is no more time to implement it.

Free Use of Subic Plan Rejected

HK1309083091 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 13 Sep 91

[By Dick Sinchongco from Malacanang]

[Text] Malacanang has rejected a proposal for a three-year U.S. withdrawal from the Philippines and free use of Subic Naval Base. The president stressed there is no assurance that the proposal will be approved by the Senate which is set to reject the U.S. bases treaty. This was learned after President Aquino met the pro-bases senators. According to Senator Neptali Gonzales, the proposal by Senator Rene Saguisag has no assurance it will be acceptable to the antibases senators. However, the president has not given up on the agreement. Malacanang is still studying thoroughly the holding of a referendum for the ratification of the bases treaty. Executive Secretary Franklin Drilon said Malacanang has not accepted the defeat of the Treaty of Friendship, Cooperation, and Security between the Philippines and the United States. Malacanang stressed the country still needs the money offered by the United States to use in the rehabilitation of the areas damaged by the Mount Pinatubo eruption and in reviving the country's economy. President Cory Aquino is scheduled to decide on the proposal to hold a referendum on the bases treaty.

Three-Year Withdrawal Rejected

HK1309100291 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 13 Sep 91

[By Restie de Quiros of DZRH Unit 8]

[Text] The Senate today rejected a proposal presented by Senator Rene Saguisag giving Subic Naval Base a three-year orderly withdrawal period of its facilities in the country. In a caucus held by the senators this morning, Senate President Jovito Salonga said it will only be a embarrassment for the Philippine Government if it approves the resolution when this will only be rejected by the U.S. Government. The senators are reportedly referring to the U.S. Government's statement that they will immediately pull out of Subic if the Republic of the Philippines [RP]-U.S. bases treaty is not ratified. In this connection, Salonga ordered Senators Sotero Laurel, Aquilino Pimentel Jr., and Rene Saguisag to submit a resolution for an orderly withdrawal of the facilities in accordance with the Ramos-Rusk and Manglapus-Shultz agreements.

Meanwhile, Senate Minority Floor Leader Juan Ponce Enrile pressed for an orderly withdrawal of the U.S. Armed Forces from the Philippines and the conversion of Subic Naval Base into an industrial economic zone. In an interview, Enrile said the base's economic and military importance remains even if the Senate rejects the RP-U.S. Treaty of Friendship, Cooperation, and Security. Enrile admitted that there will be big problems in the economy, especially in places near Subic if the position by the majority of the senators does not change, which is why the government should be determined to form an effective plan of action to limit the bad effects brought about by the U.S. withdrawal. Enrile added that the heated debate on the issue of the treaty should be concluded and plans on how the government and the people face the imminent problem should be started. Enrile stressed the government has long been implementing development plans in big regions and has been using its own funds or has placed these under the build-operate transfer [as heard].

Rejection Contingency Plan Approved

HK1309084691 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 13 Sep 91

[By Vic Sinchongco of DZRH Unit No. 6]

[Text] President Cory Aquino has already approved the government contingency plan for the moment the Senate formally rejects the Republic of the Philippines [RP]-U.S. Treaty on Friendship, Cooperation, and Security. According to Executive Secretary Franklin Drilon, the president will announce the said steps on Monday [16 September] after the Senate votes on the rejection of the U.S. bases treaty. Nonetheless, Drilon refused to divulge the steps to be undertaken by the government following the rejection of the treaty.

[Begin Drilon recording in English] We have a set of measures which we have presented to the president for her approval. And she has approved it. When the votes would come in, rejecting the treaty, this will be announced at the appropriate time when the vote takes place. [end recording]

Some of possible steps pertain to the conversion of the U.S. military facilities to be left behind by the Americans following the expiration of the RP-U.S. Military Bases Agreement and the rejection of the treaty which would have given an extension to the American military presence in the Philippines.

Earlier, President Aquino rejected the proposal of Senator Rene Saguisag to give the Americans three years to totally withdraw from the Philippines and allow them to use the Subic Naval Base free of charge.

U.S. Gets Symbolic Eviction Notice

HK1309125191 Quezon City ABS-CBN Broadcasting Corporation DZMM in Tagalog 1100 GMT 13 Sep 91

[Text] A symbolic notice of eviction was forwarded by the members of the New Nationalist Alliance to the U.S. Embassy. The notice of eviction clearly states the immediate ejection of U.S. military facilities starting Monday, 16 September.

Forty members of the New Nationalist Alliance issued the notice of eviction to the U.S. Embassy in recognition of the impending historical decision of the Senate to reject the bases agreement formulated by Foreign Affairs Secretary Raul Manglapus and U.S. negotiator Richard Armitage.

Aquino Reproached Over Rally

HK1309061491 Manila PHILIPPINES NEWSDAY in English 13 Sep 91 p 10

["Turn Of Events" column by Francisco Tatad: "Using 'The People' As a Way Out"]

[Text] As the RP [Republic of the Philippines]-U.S. Treaty of Friendship, Cooperation and Security faces certain doom at the Senate, President Aquino and the pro-bases advocates have invoked a fundamental principle—that the people's voice be heard and that the senators' vote on the bases treaty reflect the people's true sentiments.

This was the central message we heard at the President's pro-bases rally on Tuesday. This is the same thing we hear from those who want to throw it to the people in a referendum in the face of its imminent rejection by the Senate.

Consulting the people—listening to them on an important issue—is a priceless democratic value. But Mrs. Aquino and the pro-bases side seem to have an awful understanding of it and an even more awful understanding of how to actualize it.

On Tuesday, they used their power, their influence and the people's money to truck in about a hundred thousand people from various parts of Manila and Central Luzon to the Rizal Park. Once there, they asked them to chant "yes" to a treaty they had not read and did not understand, and then they shouted this was "the people" expressing a free and sovereign opinion in favor of the document which 12 senators—four in excess of the minimum number needed to block it—had vowed to oppose.

Mrs. Aquino said those who were against the treaty (not all of them necessarily anti-bases) have apparently decided to have nothing to do with the United States—neither to travel there nor to send one's family there for education or medical purposes. It was a singularly unintelligent and uneducated speech. Not even the least informed of the social underclass would have dreamed of saying it.

A couple of LDP [Struggle of Democrats] senators, in their attempt to play up to the crowd, damned their colleagues for opposing the treaty against the alleged majority sentiment which they claimed was in favor of the document.

A senator, one of them pointed out, being a servant of the people, should vote only as the people want him to vote, but those who were opposing the treaty on their own independent judgment were acting more as their masters.

As in any conflict, truth has been the first casualty in this debate.

In a free and open society, the people usually speak in many voices. You need to put them to a vote to find out what the majority wants. You cannot invoke surveys, as the pro-bases advocates are doing, to claim that this is what the majority wants. A survey, even if competent and unbiased, is not a vote; it means nothing until it is validated by an actual count.

In a representative democracy, which is different from a direct democracy, the people are represented in government by those whom they vote into office. These officials are not elected to guess what the majority wants—this they will never be able to do with accuracy—but to represent them on every issue according to their understanding of the common good, in the best manner they see fit.

"The people"—assuming we can correctly ascertain what that universe contains—may want to have free, public access to pornography. But if their representative is guided by the common good, he will oppose even that which "the people" apparently want. If he fails to convince "the people" that this, rather than that, is what is required by the common good, then in the next election, they may boot him out and replace him with somebody else. But for as long as he is in office, his duty is to follow what is right.

The Constitution, which is the fundamental charter of the land, empowers the Senate to concur in treaties by a vote of at least two-thirds of all its members. This is a time-honored feature of presidential government and outside of Mrs. Aquino no president had ever sought to impeach its validity just because he could not get easy concurrence from the Senate.

In the exercise of its power, the Senate may seek the advice of experts, but it is not expected to submit, like Pilate, to the excitement, agitation and rule of the mob. Nevertheless this is what Mrs. Aquino and the pro-bases advocates propose. It is a strange and unusual proposal, from a president who hates the people's unsolicited advice and who in 1986 picked her own commissioners to write the Constitution rather than have the people elect their own constitutional delegates to write it.

Clearly, Mrs. Aquino knows the uses of "the people," and wants to exploit those uses to the fullest. Unable to get enough senators to concur in the badly flawed document, she wants to throw the treaty to the voters who would only be told by the administration that they had voted for it.

The official argument is that the decision on the bases affects the people's lives, therefore it is only fair that they be consulted. Well, very few government decisions do not affect the people's lives. In fact, nothing affects the people's lives more directly, with greater immediacy and with longer lasting effects than the decision to go to war. In war, the best and the most innocent people kill and get killed. But this decision is not submitted to the people for a vote; the Congress alone, by a vote of two-thirds of both Houses in joint session assembled, has the power to make it.

In the case of the bases, the Constitution provides that after 1991 no foreign troops or facilities may be allowed in the country except under a treaty duly concurred in by the Senate and, when Congress so requires, ratified by a majority of the votes of the people cast in a national referendum held for that purpose.

Why this, and how is it meant to be enforced?

It's obvious. Since the policy of the Constitution is not to allow any foreign military facility after 1991, one may be allowed only under a treaty duly concurred in by the Senate, and if necessary, by the people themselves. What is envisaged is a "double ratification", first by the Senate and then by the people themselves, for the purpose of making sure that the entire nation, through its elected representatives and the people themselves, wants the anti-bases policy of the Constitution temporarily modified.

If the Senate therefore concurs in the treaty, the Congress may later submit it to the people for a vote, so as to affirm the Senate action modifying the usual constitutional policy against the bases. If the Senate majority on the other hand opposes the treaty, then the constitutional policy, which is presumably supported by the people, is in no danger of being modified. No need therefore to submit it to the people for a vote.

Nevertheless, it is not all that neat. What happens if after the Senate concurs in the treaty the people reject it? Then the Senate concurrence is rendered meaningless.

Presumably that was the real intent—to make sure that even if the Senate should concur in a treaty, the people could still reverse its vote.

The real irony is that Mrs Aquino, who arranged the writing of the present Constitution to suit her taste, has completely misread not only its text but first of all its spirit. She is now toying with the idea of circumventing the Senate through a referendum that is obviously not needed.

But how fate loves a jest! Even if the Senate agreed to a referendum, there is now no time for it. The 1947 bases agreement expires—according to Mrs Aquino's unilateral deadline—on September 16. In just three days. One minute thereafter, she is mandated by her own Constitution to expel the U.S. forces, or face possible impeachment.

Editorial: Bases Treaty Doomed

HK1309052591 Manila PHILIPPINE DAILY INQUIRER in English 13 Sep 91 p 4

[Editorial: "No Way Out"]

[Text] Malacanang last night bowed to the inevitable. Knowing the base treaty it had negotiated and signed with the United States was doomed, it finally abandoned the effort to pressure the 12 senators who voted for its rejection and offered instead to negotiate a new treaty that would allow the U.S. to keep the bases for a period of three years.

It would be premature to discuss the merits of the proposal since the details still have to be fleshed out. But even this early, it is safe to say that President Aquino's acceptance of the will of the Senate will have the salutary effects of heading off a constitutional crisis and suspending even if temporarily the acrimonious debate that has divided the nation for several weeks now.

It had seemed as if the administration would not stop at anything to force the Senate into ratifying the treaty. As soon as it was signed, Ms. Aquino led the chorus of officials demanding that the Senate concur with an agreement that is weighed heavily in favor of the United States. At first they summoned apocalyptic visions of economic collapse, a communist victory and foreign invasion to terrify the senators. Then President Aquino staked her leadership and tried cashing in on old friendships by calling senators to one-on-one talks at Malacanang. (At least once she invaded a senator's bedroom by asking his wife to coax or perhaps seduce him into changing his vote).

When all this proved unavailing, she corrupted people power, the spontaneous movement for freedom that put her in the presidency, in a pathetic show of force packed by a paid crowd. In that demonstration, she stooped so low as to remind the senators they owed their office to her and threatened to bring down on their heads the wrath of the people in the 1992 elections.

When the 12 senators, who had earlier endorsed a resolution rejecting the treaty, refused to be intimidated or coerced by the threats and the mob, Ms. Aquino and her supporters plotted to bring the issue directly to the people in a referendum. And therein lay the seeds of destruction of representative government.

Its proponents said a referendum would allow the people in whom sovereignty resides to exercise that power. But they seemed to forget that in fact the people had exercised that very same power, first when they overwhelmingly ratified the Constitution and then when they voted for their representatives in the Senate. And that Constitution says a new base treaty can be brought before the people for approval only after the Senate shall have concurred with it.

Several oddball schemes were put forward to hold the referendum. Ambassador Emmanuel Pelaez talked of having five of the 12 senators opposed to the treaty vote a "technical yes"—the five names to be drawn by lot. Senator Jose Lina, whose rebirth in religion has sent him to the edge of mysticism, proposed that a referendum be conducted regardless of how the Senate votes on the treaty. (He did not say what further purpose such an exercise, which would cost taxpayers P [Philippine pesos] 350 million to conduct, would serve if the Senate turned it down earlier.)

For a while, it looked as if the proposal would get past Congress. With Speaker Ramon Mitra giving his endorsement, it would have sailed through the House of Representatives. Senator Rene Saguisag, one of the most vocal in the anti-base camp, seemed close to agreeing to cast the swing vote in the Senate when he suggested that the President take a look at the law prescribing the exercise of popular initiative. But in the end, Ms. Aquino realized there was no constitutional way of subverting the Constitution.

Whoever covinced her to see things that way deserves a medal for restraining her from savaging the fundamental law.

Senator: Aquino Resigned to Defeat

HK1309035191 Manila PHILIPPINES NEWSDAY in English 13 Sep 91 pp 1, 2

[By Jose H. Macaspac and Ros Manlangit]

[Excerpt] [passage omitted] A senator with close ties to President Aquino said the President had given up hope of winning Senate approval or of referring the future of Subic Bay naval base to the people in a referendum.

Senator Rene Saguisag said the President told him she was considering allowing the Americans two to three years to withdraw, and the government would accept no compensation for use of the bases during the phase-out period.

Earlier Thursday, Drilon said Mrs. Aquino would refer the bases issue to the people in a national referendum if the Senate, as expected, voted down the agreement.

Later, however, Saguisag said Mrs. Aquino had given up on both the agreement and the referendum idea during a luncheon also attended by her brother-in-law, Senator Agapito Aquino.

Both senators oppose the agreement but maintain close ties to the President.

"The President is resigned to the defeat of the agreement," Saguisag said. "The President has accepted that no one is moving" to change his position, he added.

Emmanuel Pelaez, the Philippine ambassador to Washington, also said the referendum idea had been scrapped because it was too expensive and legally complicated.

Pelaez, a former vice president who returned here to lobby for the agreement, said he recommended the government cope with the loss of U.S. compensation by slashing its budget and "bite the bullet." [passage omitted]

Aquino's Conceding Defeat Denied

HK1309042691 Quezon City Radyo ng Bayan in Tagalog 0400 GMT 13 Sep 91

[Italicized passages in English]

[Text] Press Secretary Tomas Gomez III has denied that President Aquino has totally surrendered on the issue of the Republic of the Philippines-U.S. Bases Agreement. This was his reaction to a newspaper report published this morning. In his regular Radyo ng Bayan program "Clarification and Opinion" Secretary Gomez said:

[Begin recording] That headline which states she has given up, *I am not saying that will not happen. But what I am saying is as of this moment that is not true.* And possibly if the decision this afternoon is to pursue the fight related to this problem, that will certify that that headline is wrong. *We continue to have a stalemate.* [end recording]

Final Senate Vote To Be on 14 Sep

HK1309124091 Hong Kong AFP in English 1223 GMT 13 Sep 91

[Text] Manila, Sept 13 (AFP)—Filipino senators will cast their final vote on the fate of the United States'new 10-year military base treaty with the Philippines late Saturday, Senate majority floorleader Teofisto Guingona said.

Guingona invoked a seldom-used rule late Friday to shorten floor debates on the agreement, which appears doomed with 12 of the 23 senators having already rejected it in a preliminary vote Monday.

He told the Senate floor that opponents must finish their questioning by 10 P.M. (1400 GMT) Friday of the sponsors of a proposed resolution rejecting the treaty, so the body could go into a session for amendments Saturday.

The body is to take a vote on a second reading at 11 P.M. (1500 GMT) Saturday, Guingona added.

He said the third and final reading would be held Monday—when the current 25-year lease agreement on Subic Naval Base expires—after which the Senate will take a two-week recess.

Under Philippine congressional rules, the second reading is the decisive stage of any bill or resolution, with the third reading being a mere formality, during which the senators are given the floor to explain their votes.

Eight votes against or abstentions are all that are needed to kill the treaty because the 1987 Constitution states that international agreements entered into by the government are valid only if ratified by a two-thirds Senate majority.

Truce To End If Pullout Compromised

HK1309115091 Hong Kong AFP in English 1123 GMT 13 Sep 91

[Text] Manila, Sept 13 (AFP)—Communist insurgents threatened Friday to end a two-day-old unilateral truce if the Philippines permits anything less than an immediate U.S. military pullout from Subic Naval Base after the lease ends Monday.

The National Democratic Front (NDF) ordered the 15,000 guerrillas of the New People's Army (NPA) to halt all "offensive operations" from 1600 GMT Wednesday in support of Philippine senators who are poised to reject a new base treaty with Washington.

President Corazon Aquino's government Friday welcomed the ceasefire gesture as a boon to efforts to bring a political solution to the 22-year-old rebellion, but refused to rein in the country's Armed Forces.

Jose Maria Sison, the Netherlands-based founder of the banned Communist Party of the Philippines (CPP), denounced a compromise proposal by two treaty opponents, which would give the U.S. forces a rent-free withdrawal period of three years after the current 25-year lease ends September 16.

Unless there is a "genuine and complete rejection," the unilateral ceasefire "will lose its basis for continuing," Sison said in a facsimile message from Amsterdam to AFP here.

If the Senate "decides to give the U.S. military bases some more years to stay under the pretext of a phaseout or a phasedown," then "there is no genuine rejection" of the agreement, he added.

He claimed Washington would use the window "to prolong the stay of the U.S. military bases indefinitely, with or without a treaty."

Sison called for a "genuine and complete rejection" of the treaty, requiring the "immediate withdrawal of U.S.

military personnel, planes, ships and other movable assets" to ensure that the truce lasted.

The treaty, forged after 14 months of talks, also provides for a complete U.S. military pullout from Clark Air Base by September 1992.

The NDF is the umbrella organization of the CPP and its armed wing the NPA, which have long demanded an end to the U.S. military presence in this former colony.

Executive Secretary Franklin Drilon, who is President Corazon Aquino's chief aide, told journalists that with the truce offer, "the chances of our succeeding in our local peace process would be greater."

Aquino has tasked Drilon, the head of a cabinet committee on security, with exploring peace agreements with local NPA commands, a move denounced by the NDF, which is pushing for fresh national-level peace talks.

The NDF and the Aquino government first held peace talks in Manila amid a nationwide ceasefire in late 1986, but the negotiations soon broke down and fighting resumed in early 1987.

Aquino, who is backing the base treaty despite its imminent rejection, has warned that vital security aid pledged by Washington would be cut off if the pact was rejected, weakening the military's efforts to crush the rebellion.

When asked whether military operations against the NPA would likewise be suspended, Drilon responded, "Why don't you ask the military?"

"We will continue our operations unless they lay down their arms," a spokesman for the armed forces high command, Colonel Benjamin Enrile, told AFP.

The military has scored major victories against the communists in recent months, including the arrest of NPA chief Romulo Kintanar and about a dozen other senior guerrilla officers.

Enrile said a major offensive was continuing against the insurgents in the northern Marag Valley, where ground troops and helicopter gunships are trying to flush out an estimated 1,500 NPA guerrillas.

The NDF has long campaigned against the bases, which it regards as staging grounds for what it calls "U.S. imperialism."

Strike Moratorium Declared

HK1309131391 Quezon City ABS-CBN Broadcasting Corporation DZMM in Tagalog 1100 GMT 13 Sep 91

[Text] After the unilateral cease-fire offer of the National Democratic Front, the labor sector, particularly the militant 1 May Movement [KMU] has also declared a strike moratorium in relation to the impending issue of the Republic of the Philippines-U.S. bases treaty.

Radio Patrol learned from KMU Chairman Crispin Beltran that leaders from the labor sector are currently studying the offer of peace. He said that the government will need every help from the workers if the treaty is rejected outright. Beltran also added that as soon as the bases treaty is rejected, they will talk to labor leaders to implement so-called maximum restraint in the area of strike undertakings by the labor sector.

Truce 'Ploy' To Influence Vote

HK1309095991 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 13 Sep 91

[By Fernan Imberga, DZRH Unit No. 22; italicized passage in English]

[Text] The declaration by the National Democratic Front [NDF] of a nationwide unilateral cease-fire is only propaganda to influence the result of the discussions on the new U.S. military bases treaty. This was the reaction of the Philippine National Police [PNP] High Command.

In a press statement, PNP chief Director General Cesar Nazareno said that he doubts the sincerity of the NDF's call to its guerilla forces to stop their attacks on government forces. Nazareno stressed that if it is really sincere with its call, it should surrender its arms instead of declaring a cease-fire. PNP Spokesman Reynaldo Weycoco has an additional statement:

[Begin Weycoco recording] This is their propaganda ploy to influence the ratification of the bases treaty. *So we are not very optimistic about this.* If they are really sincere, our stand in the PNP is that they should lay down their arms, instead of a cease-fire. [end recording]

Meanwhile, Armed Forces Chief of Staff General Lisandro Abadia gave a positive reaction on the declaration by the NDF of a unilateral cease-fire. In an ambush interview, Abadia said that this step of the NDF is a welcome development for peace. Nonetheless, he calls for vigilance to prevent the same disappointment as the government suffered during the 1986 national cease-fire.

[Begin Abadia recording in English; in progress] ...welcome development. We have to watch further developments of, you know, it might be the sweetener from the NDF. But we have to really be a little cautious on this; while as to whether we are going to respond positively, we will be waiting for instructions from Secretary De Villa and from the president. You see, they are ones who should give me instructions. [end recording]

For Defense Secretary Renato De Villa's part, he said that the government should be cautious in responding to the declaration of the NDF of a national cease-fire. At present, he said, there has been no response yet from the Department of National Defense regarding the unilateral cease-fire of the NDF.

According to De Villa, he can still support the implementation of locally based-initiated cease-fires over a nationwide unilateral cease-fire declared by the NDF.

Abadia Doubts Truce To Continue

HK1309043891 Quezon City Radyo ng Bayan in Tagalog 0400 GMT 13 Sep 91

[Text] General Lisandro Abadia, Armed Forces chief of staff, said the military will continue its offensives on Marag Valley. At the same time, Abadia said the military does not believe the rebels will fullfill the implementation of a cease-fire.

[Begin Abadia recording] Our operations in Marag will continue because we have hit the New People's Army badly there. They have been in control of Marag Valley for nine years but it is now under the control of the Armed Forces. They feel bad about us recovering the area so, they launched what they call psychological warfare. They went to Congress, attended committee hearings, but all their accusations against us in Marag are not true. We have proof. [end recording]

De Villa: Truce Merely Propaganda

HK1309095791 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 13 Sep 91

[Text] Defense Secretary Renato de Villa emphatically rejected the National Democratic Front's declaration of a cease-fire which took effect on 11 September. In an interview with this radio station, General De Villa stated that the communist group's action is merely propaganda and that his department will not respond to the offer. However, the secretary assured the Department of National Defense has sufficient capability to verify if the cease-fire offered by the group is just propaganda, but this will take time. Here is part of the statement by Defense Secretary Renato de Villa:

[Begin recording] We will not act on this immediately because we want to see to what extent they will take this cease-fire issue. For our part, until I have issued and until the president has ordered a cessation of action, all our operations continue. [end recording]

Malacanang Welcomes NDF Truce

HK1309093291 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 13 Sep 91

[By Dick Sinchongco]

[Text] Malacanang said there is a good chance that the government's efforts toward peace will succeed. This is following the National Democratic Front's [NDF] declaration of a cease-fire. Malacanang welcomed the decision of the communist rebels to implement a cease-fire, but Executive Secretary Franklin Drilon said they have not accepted the NDF's formal offer of a cease-fire. In an interview with Malacanang reporters, Drilon said:

[Begin recording in English] We have initiated a local peace process two or three weeks ago. The chances of our succeeding in this local peace process initiative would be enhanced by this declaration of the NDF. At this point, we have not received any concrete proposal except for what we heard in the newspaper and therefore, beyond what I said, we cannot (make any promise). [end recording]

Earlier, the NDF said in a press statement that it will declare a cease-fire following the rejection of the treaty extending the U.S. bases in the Philippines. It is recalled that the Cabinet Cluster on Security and Political Development approved the holding of peace initiatives on 13 provinces in the country.

Senators Welcome Cease-Fire

HK1309033491 Quezon City MALAYA in English 13 Sep 91 pp 1, 3

[By Romy Tangbawan with Ramon Isberto-IPS (expansion unknown)]

[Excerpts] The communist-led National Democratic Front [NDF] of the Philippines has declared a unilateral ceasefire effective midnight last Wednesday, fulfilling a pledge to suspend hostillities once there is a clear trend that the Senate will reject the new bases treaty. [passage omitted]

The ceasefire announcement coincided with yesterday's debate at the Senate on the effects of a treaty rejection on the 22-year insurgency.

Interpellating Sen. Wigberto Tanada (Ind.) [Independent], co-sponsor of the non-concurrence resolution, Sen. Ernesto Herrera (Ind.) sought clarification if a ceasefire would mean the laying down of arms by the NPA [New People's Army].

Tanada said a ceasefire was but an initial step toward a comprehensive solution to the insurgency problem.

Sen. Juan Ponce Enrile, Tanda's co-sponsor of the concurrence resolution, said "the government should now equally respond with the ceasefire declaration."

Pro-bases Sen. Mamintal Tamano said, "I welcome the announcement but for the record I do not want to derive a conclusion that Sen. Tanada is the mouthpiece of the NDF."

Sen. Agapito Aquino said he was "very happy to hear about the news."

"I think we should now hear from KMU [Kilusang Mayo Uno] [1 May Movement] on their promised five-year moratorium on strikes. It seems that our procedure is now producing positive results. I am confident that if we are all sincere in working out solutions to our problems, we can find our way out," he said.

Sen. Santanina Rasul said it "is better to talk than to shoot each other."

"If it is true, they're complying with their earlier statement. I hope this is for keeps," she said.

Ambassador to Washington Emmanuel Pelaez, said he hopes the rebellion is finally over. "It's time to lay down their arms," he said.

Sen. Leticia Shahani, leader of the pro-bases bloc, said: "I don't know what are the conditions for that. If it's going to bring peace, that's all right but it's up to the executive to respond."

Senate President Jovito Salonga said, "It will be a good development if the NDF meant it."

Should the government respond with a ceasefire, it would be the second time a truce would take place.

A 60-day truce was forged on Dec. 10, 1986 during the first year of the Aquino administration. Peace negotiations collapsed because of the February 1987 Mendiola massacre.

Rebels Offer Police Release If Truce Declared

HK1309053891 Manila PHILIPPINES DAILY INQUIRER in English 13 Sep 91 p 7

[Text] Communist New People's Army [NPA] guerillas have offered to release 10 captured policemen if the military declares a one-week ceasefire in the Cordilleras.

The offer was made in a Sept. 5 statement signed by Noli Libertad, spokesman of the National Democratic Front-Northern Luzon, the NPA's Lt. [Lieutenant] Crispin Tagamolila Command in North Luzon, and the NPA's Chadli Molentas Command in the Cordilleras.

The mailed statement reached the INQUIRER yesterday as the military launched a big offensive in Marag Valley where 1,500 NPA guerillas operating in the Cordilleras are believed holed out.

Libertad said the ceasefire would be "an act of good faith" of the military, making it possible for families of the captured policemen and humanitarian groups to negotiate their release.

Captured in separate NPA raids in Mountain Provicne and Kalinga-apayao were Mario Garcia, Arsenio Quilban, Roger Gououg, Rogelio Pambid, Qionision Bagay, Felipe Antonio, Virgilio Doctolero and three other unidentified policemen.

Two Army battalions backed by a company of the Philippine National Police, helicopter gunships, and naval artillery have launched "Operation Silawan [Operation Dazzle]" in Marag Valley.

Col. Roberto Manlongat, chief of the Army's 503rd Infantry Brigade, identified the areas for clearing operations as Barangays Marag, Kakandugna, Kalabigan and Dumalano, all of Luna, Kalinga-Apayao, and Sitio Kalayucay, Barangay Masi, Pamplona, Cagayan.

Manlongat said the Communist Party of the Philippines has established a provisional revolutionary government in these areas which also serve as "staging points" for guerilla operations.

There were no immediate reports of casualties in the ground, sea and air operation that began Sunday.

Rebels have mined routes leading to their stronghold, slowing movement of ground troops, Manlongat said.

Manlongat said the assault troops were also ordered to respect human rights, as residents were warned about the impending operations.

Marag Valley, 430 kilometers north of Manila, was the scene of a big military offensive late last year in which the Armed Forces claimed killing dozens of guerillas.

Human rights groups, however, denounced the operations saying that the victims included many innocent citizens.

A Department of Justice team also investigated the military's alleged human rights violations after Marag Valley residents accused soldiers of rape.

Army To 'Continue Operations'

HK1309034391 Hong Kong AFP in English 0328 GMT 13 Sep 91

[Text] Manila, Sep 13 (AFP)—The Philippine Armed Forces will continue operations against communist insurgents despite the rebels' declaration of a unilateral nationwide ceasefire, a spokesman said here Friday.

The communist National Democratic Front (NDF), which includes the New People's Army (NPA) guerrillas, declared an indefinite ceasefire in the 22-year-old conflict Thursday to show support for Philippine senators who have vowed to reject a new military base treaty with the United States.

But the military, which has scored major victories against the communists in recent months, including the arrest of NPA chief Romulo Kintanar, refused to match the NDF truce offer.

"We will continue our operations unless they lay down their arms," a spokesman for the armed forces high command, Colonel Benjamin Enrile, said.

He said a major offensive against the insurgents in the Marag valley in the north, where ground troops and helicopter gunships are trying to flush out an estimated 1,500 guerrillas, was still going on.

President Corazon Aquino had no immediate comment on the truce declaration from the NDF, political umbrella of the 15,000-strong NPA and the banned Communist Party of the Philippines, Press Secretary Tomas Gomez said.

The new treaty, to govern a new military bases lease by the United States after the current 25-year arrangement expires on Monday, is expected to be formally rejected by the Senate here.

The NDF has long campaigned against the bases, which it regards as staging grounds for "U.S. imperialism."

Meanwhile, armed forces chief of staff General Lisandro Abadia Friday expressed optimism over his efforts to talk peace with military rebels led by fugitive former Army Colonel Gregorio Honasan, who led two bloody coup attempts against Aquino.

Abadia said in a television interview that he gave a "safe conduct pass" guaranteeing immunity from arrest to Honasan's close friend and fellow fugitive, former Air Force Colonel Eduardo Kapunan, so the latter can get in touch with the top rebel soldier.

Kapunan was fetched by a private plane from an undisclosed place, brought to Manila, and has started talks with Honasan, he said.

Asked what has resulted so far, Abadia only said "there is hope."

He said he believed the military rebels were sincere in accepting his offer of talks on a peaceful settlement, but if talks fail, "I have no choice. It is my duty to look for them. If we have to fight, then we have to fight."

Aquino has survived seven military uprisings since coming to power in 1986 following the overthrow of the late dictator Ferdinand Marcos. The bloodiest attempts were mounted in August 1987 and December 1989 by Honasan, who also led the mutiny that toppled Marcos.

Military Launches Operation in Marag Vally

HK1209021291 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 11 Sep 91

[Text] The Military is currently launching a wide-scale ground, air, and sea operation in Marag Vally in order to subdue 1,500 forces of the communist rebels who are said to be hiding in the area. Last week, the Philippines Armed Forces started Operation Silawan [Operation Light Up], which comprises two Army battallions, a company of field forces from the Philippine National Police, four helicopter gunships, and a naval assault force. The areas that were targeted by Operation Silawan are Marag, Kakandungan, Kalabigan, Dumalano Luna, Kalinga Apayao, Sitio Kalayukay, Barangay Masi, and Pampalona in Cagayan.

This military action was in response to a report that the New People's Army is setting up a provisional revolutinary government in Marag Vally. Colonel Roberto Manglongat, commander of the 503d Infantry Brigade, said the government must take back Marag Vally from the communist rebels as soon as possible in order to start the rehabilitation and development of the area.

Abadia Says Honasan To Emerge From Hiding

HK1109031691 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 10 Sep 91

[Text] General Lisandro Abadia, Armed Forces of the Philippines [AFP] chief of staff, has revealed that former Colonel Gregorio Honasan will come out of hiding by the end of the month of September to face mutiny and rebellion charges filed against him by the government regarding his role in leading the failed coup d'etats in 1987 and 1989. This was revealed by Abadia in relation to the coming reconciliation talks between him and Honasan before the end of September. Abadia said that it is a big possibility that the rebel officer will come out of hiding to face litigation. However, the general said that Gringo [Honasan] will be under his custody for the duration of the case. Abadia also revealed that he gave a safe conduct pass to former Air Force Lieutenant Colonel Eduardo Red Kapunan in order to talk to Honasan and Commodore Domingo Calajate. Abadia expressed the belief that Honasan will listen to Kapunan because he is a close friend of Honasan. In a related development AFP Chief of Staff General Lisandro Abadia said that he will only set other detained rebel soldiers free if Honasan and other leaders of the Reform the Armed Forces Movement-Soldiers of the Filipino People-Young Officers Union [RAM-SFP-YOU] talk about negotiations.

Abadia said that he will not order a new directive for a release until a face to face confrontation with Honasan materializes. It is known that more rebel members and officials of the RAM-SFP-YOU are detained in different AFP detention cells, but their release orders will only be made if Honasan will engage in talks between the government and the ultrarightist group. It was recalled that the general ordered the release of 40 rebel officers after a phone conversation with Honasan and Calajate. This step was made by the AFP chief of staff to show Gringo his sincere intentions about having a reconciliation between the two groups, and to put an end to rebellions happening within the military.

Hopes To Present Honasan to Media

HK1309053691 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 12 Sep 91

[Text] General Lisandro Abadia, Armed Forces chief of staff, gave assurances that the rebel soldiers' group led by former Colonel Gregorio Gringo Honasan will not launch any destabilization move while efforts for peace negotiations by both sides is in progress. General Abadia said Honasan's group promised him it will not carry out any move which will affect national security while efforts are underway to end rebellion within the military ranks. The general also confirmed his talks with former Lieutenant Colonel Eduardo Red Kapunan on the morning of 11 September in Camp Aguinaldo, in which they discussed the details of the planned peace negotiations. Abadia expressed the belief that he can present Honasan to the media before the end of this month. He added that he will place him [Honasan] in his care while a trial is conducted on cases he is facing in relation to the failed coup d'etats in 1987 and December 1989.

Army Chief Seeks To Contact Rebel Brigadier

HK1209063091 Manila MANILA BULLETIN in English 12 Sep 91 p 8

[By Aris R. Ilagan]

[Text] Fort San Felipe, Cavite City—The military is seeking the participation of dismissed Air Force brigadier general Jose Zumel, tagged as a leader of the outlawed Soldiers of the Filipino People (SFP), in the government-initiated peace dialogue with ultra-rightist elements.

This was reported yesterday by Gen. Lisandro C. Abadia, AFP [Armed Forces of the Philippines] chief of staff, in an interview held shortly after the groundbreaking ceremonies for the construction of a 20-door apartment complex for the enlisted personnel of the Navy here.

Abadia said that government emissaries are trying to establish contact with Zumel who, he claimed, is still hiding in Metro Manila. "Although I received reports tht he (Zumel) is 'tight' about the whole thing, I am still confident that he would open his door for a possible dialogue," Abadia said.

Zumel, who carries a P [Philippine pesos] 1-million reward for his arrest, was named by military authorities as the most influential leader of the SEFP, a faction of the ultra-rightist group composed mainly of disgruntled military men said to be "loyal" to the late President MArcos.

The SFP had forged an alliance with the Reform the Armed Forces Movement (RAM) during the December 1989 failed coup attempt which nearly toppled the Aquino government. The RAM is led by Gringo Honasan, an ex-lieutenant colonel.

As an officer of the Presidential Security Command (PSC), Zumel was known to be loyal to Ver's forces.

If Zumel takes Abadia's offer for a peace talk, fugitive Navy Commodore Domingo Calajate would be "isolated" from the RAM-SFP group, military analysts said.

Abadia said that he has already started a "conversation" with Honasan. This was facilitated by former PC [Philippine Constabulary] Lieutenant Colonel Red Kapunan who has been granted a "safe conduct pass" by the AFP.

Abadia is relying on four officers—former Marine Lieutenant Colonel Romeline Gojo, Army Major Alfredo Oliveros, Navy Captain Danilo Pizarro, and Army Lieutenant Colonel Arsenio Tecson—on the search for Zumel.

Abadia Suspends Trial of Military Rebels

HK1209051991 Manila PHILIPPINE DAILY INQUIRER in English 12 Sep 91 p 7

[Text] The military trial of suspected rebel soldiers has been suspended as Gen. Lisandro C. Abadia, Armed Forces chief of staff, and putsch leader Gregorio Honasan concluded their reconciliation talks.

Abadia ordered the AFP [Armed Forces of the Philippines] personnel office to finalize its list of detained officers who will be released and placed under the custody of their military commanders.

Abadia said Tuesday he was willing to release all detained military rebels as soon as he meets with Honasan, ex-Brig. Gen. Domingo Calajate, ex-Navy Capt. Felix Turingan and other putsch leaders.

Abadia said he expects that Honasan would turn himself in to his custody within the month.

Abadia said he talked to Honasan by phone last month, and at least five officers close to Honasan have been granted safe conduct passes to facilitate further dialogs.

"I am hopeful that something will come out of the efforts initiated by General Abadia," an officer who asked not to be identified said.

Abadia has already released more than 100 officers and men linked to the Honasan-led August 1987 and Decmeber 1989 coup attempts.

Communist Leader Surrenders in Negros Occidental

HK1109081891 Manila THE CHRONICLE in English 11 Sep 91 p 3

[By Manny Mogato]

[Excerpt] A scion of a wealthy land owner in Negros Occidental who became a communist guerrilla leader has surrendered last week to the military, apparently tired of fighting the government for almost 20 years.

Silvino Gallardo, who is also known in the rebel movement as Marcos, Benz and Philip, claimed he bolted from the rebel movement because of "personal reasons."

"I've neglected them (his family) for a long time," he told reporters during a press briefing at Camp Aguinaldo. He is the alleged head of the New People's Army (NPA) guerillas in Negros Occidental, a member of the executive committee of the Negros Island regional party committee and the head of the operational command which has control over four rebel fronts and five district and provincial guerrilla units.

"The movement does not like me to go down and give myself up because of the negative implications it will bring," he said.

He denied there was an intense power struggle among leaders of the NPAs in the province.

"There are differences of ideas but I don't think that this is a power struggle."

Gallardo is apparently tired of fighting the government since he became a student activist in 1971 at the University of the Philippines (UP) in Los Banos, Laguna. [passage omitted]

Clarification of Policy Toward Dissidents Urged

HK1309055491 Manila THE CHRONICLE in English 13 Sep 91 p 4

[Editorial: "Terms of Abadia's Peace Offer Must Be Clarified"]

[Text] While the nation's attention was focused on the U.S. military bases ratification issue, the armed forces chief of staff, General Lisandro Abadia, has been quietly negotiating for the return to the fold of military dissidents ranging from those identified with the renegade Colonel Gregorio Honasan to the Marcos loyalists led by the cashiered general Jose Zumel.

General Abadia has had more success than his predecessors in having dialogues with the rebels. He has, as a gesture of sincerity, reintegrated some of the freed rebel officers into the services. The dialogues are apparently intended to unify the armed forces, a desirable goal. Unification—that is, dissolving factionalism—becomes much more important now, after the rejection of the bases treaty, that the military must fit into the adjustment of a new relationship with the U.S. and at the same time undergo modernization.

What is not clear is the terms being offered Honasan and Zumel and their men to induce them to surrender. These men have committed serious offenses against the state, offenses considered treason in other states, and leniency in exchange of surrender does not enhance respect for the authority of the civil state.

The Davide Commission report, in particular, has questioned the lenient handling of rebels in the past, pointing out that it had encouraged further rebellions. Of course, leniency is not the most important or basic reason for rebellions. The impulses for coups vibrating within the armed forces are traceable to a lot of factors, including the former key role of the military in the politics of the Marcos regime.

The civil government has apparently given General Abadia the blessings to carry out negotiations. At least it has not made any move to stop the dialogues. It is therefore important to know the terms of reference for these dialogues. There should be a clear policy about leniency or firmness. Without such clarity, we are left with the impression that the government is letting the military do things that are promoting the corporate interests of the armed forces—interests that could also undermine the authority of the civil government.

Ileto Blames Communists for Army's Obsolescence

HK1209043391 Manila PHILIPPINE DAILY INQUIRER in English 12 Sep 91 p 7

[Text] The country's Armed Forces failed to modernize all these years because of the rigors of the counterinsurgency campaign, National Security Adviser Rafael Ileto told a recent congressional hearing.

Ileto said the AFP [Armed Forces of the Philippines] failed to modernize not because of lack of U.S. support but because its resources have been diverted to fighting the 21-year communist insurgency.

"Our country has been fighting insurgency, the NPA/CPP/NDF [New People's Army—Communist Party of the Philippines—National Democratic Front] and the secessionists, for many years and we are hardly capable of fighting an internal war this long. Our defense capability is hardly sufficient to sustain such a long war," Ileto said.

During the hearing, Ileto said the government has failed to lick the insurgents because the people themselves did not support this effort.

"The failure to suppress insurrection is because our own people have not supported it," he said.

Rep. [Representative] Rolando Andaya, chairman of the House Appropriations Committee which held a budget hearing of the National Security Council, asked Ileto why the AFP had failed to modernize despite U.S. military aid.

Resignation of Oil Company President Accepted

HK1309060891 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 12 Sep 91

[Text] Manuel Estrella, president of the Philippine National Oil Company [PNOC], has resigned. President Aquino has accepted the resignation. Estrella's resignation will take effect on 16 September. Monico Jacob, former general manager of the National Housing Authority, will replace Estrella. It will be recalled that Jacob also replaced Benjamin Diokno who resigned as the PNOC chairman on 31 August for an alleged misunderstanding with Estrella. The two PNOC officials are allegedly on conflicting terms as to how to run the firm owned by the government. Malacanang did not disclose Estrella's reason for resigning, but as for Diokno, he resigned due to what is called delikadeza [finesse].

IMF Refuses To Relax Manila's Fiscal Targets

HK1209044491 Manila BUSINESS WORLD in English 12 Sep 91 p 9

[By Dinna Chan]

[Text] The International Monetary Fund will not allow the Philippine government to relax the fiscal targets under the austere economic stabilization program, IMF representative Markus Rodlauer said.

In a speech durign the regular forum sponsored by the Philippine Futuristics Society, Rodlauer said the relaxation of fiscal deficit would have serious implications on interst and inflation rates.

The IMF official attributed the resistance of the creditors to the relaxation of the fiscal target to the limited financial resources of the government.

"The relaxation of fiscal deficit targets is not feasible because the country's limited resources coupled with a stringent economic program being closely monitored by the IMF, does not allow much room for flexibility," Rodlauer said.

While the Philippines failed to meet its base money targets for the June review of the program, he stated that the country's monetary policy was on track.

The first formal review of the country's economic program was postponed by the IMF from August to October because of several issues, foremost of which was the grant of subsidy to the debt-ridden National Power Corp.

The Philippines is bound to abide by the 18-month standby arrangement with the IMF in exchange for a

$916 million loan package which contains the standby facility and the contingency and compensatory fund facility.

For this year, the national government is supposed to limit its budget deficit to P [Philippine pesos] 26.6 billion and in a more austere fiscal scenario, the national government is committed to trim down its deficit to P3.8 billion next year.

The Department of Finance reported as of Aug. 15, the budget shortfall had reached P10.29 billion, lower by P1.98 billion from the target deficit of P12.27 billion.

The budget shortfall was due to the excess in expenditures which was P144.16 billion while the revenues amounted to P133.87 billion.

Rodlauer, however, is optimistic the economy would rebound by next year.

"Considering that the imbalances of 1990 were carried over in 1991, the economic performance of the Philippines in the first semester of the year is no cause for alarm," he said.

Thailand

World Bank Defers Decision on Loan for Dam

BK1109024191 Bangkok THE NATION in English 11 Sep 91 p 3

[Text] The World Bank has indefinitely postponed a decision on a loan for the Pak Mun Dam, and may not further consider the controversial hydro project until after the Bank's annual general meeting in Bangkok next month, a source in Washington told THE NATION yesterday.

The source said the Electricity Generating Authority of Thailand (EGAT)'s Third System Development Project, which includes Pak Mun in Ubon Ratchathani Province and the expansion of lignite mining in Mae Moh, Lampang Province, were removed from the agenda of Tuesday's World Bank board meeting.

The stated reason for the delay was to give executive directors time to review new documents and to receive written answers to questions they posed during a special briefing session on Pak Mun in Washington last week.

A recent study by the US Agency for International Development (USAID), ordered by the US Congress, proposed that the United States not support Pak Mun because the environmental impact studies were "out-of-date, flawed and inadequate".

Meanwhile, the World Bank executive director (representative) for Thailand has allegedly threatened that the country will not borrow money from the Bank in the future if the Pak Mun loan does not come through, according to another source.

An August 15 letter from Minister of Finance Suthi Singhsane addressed to World Bank President Barber Conable reaffirms the Thai Government's determination to go ahead with the project. (The current Bank president is Lewis Preston.)

"Because EGAT needs the proceeds of the ... loan to pay project costs on time, I should like to request that your staff present the loan to the board on schedule.

"Rumours to the effect that my government is reconsidering the Pak Mun Dam Project are completely unfounded, and are based on erroneous interpretations of the functions of the (review) committee," Suthi stated in the letter.

In Bangkok about 150 opponents of the Pak Mun Dam continued to rally outside the World Bank office at the Olympia building on Rama IV Road yesterday to demand that the bank decide against funding the project.

Representatives of the group yesterday delivered another letter to local World Bank representatives calling for attention to the possible health and ecological hazards that would be caused by the dam.

The protesters, including students, environmentalists and villagers from Ubon Ratchathani Province, began rallying against the planned dam outside the World Bank's Bangkok office on Monday and spent the night sleeping on the sidewalks around the building.

Twenty-two students volunteered to stage a hunger strike as part of the protest and two more students from Khon Kaen University and the Nakhon Ratchasima Teachers Training College yesterday joined the fast.

The dam opponents on Monday submitted a protest letter to World Bank representatives, expressing concern over the dam project's imminent displacement of thousands of villagers.

Commenting on the anti-dam protest, Prime Minister Anan Panyarachun yesterday said the opponents have the right to express their objection to the Pak Mun project.

The premier said that as far as he has learned, the dam would not cause "too much" environmental damage.

Alternate Funding Possible

BK1209120991 Bangkok THE NATION in English 12 Sep 91 p A2

[Text] The government would be able to secure a loan from a financial source other than the World Bank to fund the construction of the Pak Mun Dam if the bank would decide against funding the project, PM's [Prime Minister's] Office Minister Phaichit Uathawikun said yesterday.

The minister's statement came after the World Bank's head office in Washington postponed its decision on the Electricity Generating Authority of Thailand's (EGAT) request for a Bt [baht]1.35-billion loan to fund about one-third of the implementation cost of the hydroelectric project.

The government, he said, is ready to take into consideration all parties' opinions about the pros and cons of the project.

Phaichit said the Pak Mun project covers the construction of a dyke to tap a river flow, not a big reservoir, and it should not have an impact on the local ecological system.

In a related development yesterday, opponents of the Pak Mun Dam submitted a protest letter to the government calling on it to scrap the controversial dam project in Ubon Ratchathani Province.

About 30 representatives of student activist groups, environmentalists and villagers who will be affected by the dam construction went to Government House and handed to officials there the protest letter addressed to Prime Minister Anan Panyarachun.

The opponents also wanted the World Bank to decide against funding the project, which they said will displace thousands of villagers around the dam site and cause serious environmental damage in the long run.

Leader of the group, Thiang Banthao, criticized the government for having taken into consideration only the EGAT's information about the pros and cons of the hydroelectric dam.

"The government is apparently insincere about helping to alleviate the plight of those who will be affected by the dam construction," he said.

Thiang said the Ubon Ratchathani villagers wanted the World Bank representatives to meet them at the dam site before Oct 14 and give them an answer on whether the bank will accept their demand to reject the funding for the planned dam.

The visit to Government House followed the end of the protest rally by about 150 dam opponents outside the World Bank's Bangkok office at the Olympia building in Silom area earlier yesterday.

The protest was called off after a report said that the World Bank's head office in Washington has postponed its decision on the funding for the Pak Mun project.

Foreign Media Curbs During World Bank Meet Sought

BK1209121191 Bangkok THE NATION in English 12 Sep 91 p A2

[Text] The Thai Film Industry Promotion Board will seek the cooperation of the Customs Department and the Foreign Ministry to prevent staff of foreign electronic media who will come to Thailand during the World Bank/International Monetary Fund meeting next month from producing stories that would tarnish the country's image, a senior board official said yesterday.

Customs officials will check the equipment to be brought by the foreign media staff to check whether they have any intention of using them for purposes other than reporting on the monetary conference, said board secretary Khanittha Chittiprakop.

Those who are later found to have used the equipment to produce stories that would damage the country's image will be repatriated by the Foreign Ministry, she said.

Khanittha did not elaborate how the foreign media could tarnish Thailand's image. However, the film board has previously expressed its concern over foreigners' production of obscene movies in the country.

In requesting for visas for their staffs, foreign news agencies will be required to give a guaranty for and necessary data about their employees, said Khanittha.

Report From Hungary on Army Chief Visit

BK1109153991 Bangkok Army Television Channel 5 in Thai 1230 GMT 11 Sep 91

[Text] Army Commander in Chief General Suchinda Khraprayun, accompanied by a party of five officers, including Army Chief of Staff General Wirot Saengsanit, is now on a visit to Hungary, the Czech and Slovak Federal Republic, Poland, and the United Kingdom. The first leg of the 12-day tour is a visit to Hungary on 9-10 September.

Before arriving in Budapest, the army commander and his delegation stopped over in Copenhagen for a flight change. They were met there by the Thai Ambassador in Copenhagen Thongchan Chotikasathian. The group toured important sites in Denmark, which has trade and friendly relations with Thailand. On 9 September at 1330 local time, Gen. Sudhinda and his delegation arrived in Budapest for a visit at the invitation of the Hungarian army. The group was met by Colonel Jozsef Kelemen, deputy chief of staff of the Hungarian army. They then proceeded for a meeting with Major General Janos Kovacs, chief of staff, at the Defense Ministry. The two persons expressed satisfaction over the growing relations between the military of both countries. Major General Janos Kovacs also hosted a party in honor of Gen. Suchinda and his delegation.

On the second day of his visit to Hungary, Gen. Suchinda met several senior leaders of Hungary. He met Hungarian Defense Minister Lajos Fur at the Defense Ministry. They expressed a common desire for peace and security in the world, as well as peace in their respective neighboring countries. Gen. Suchinda and his delegation then called on President Arpad Goncz. They exchanged views on the military and economic affairs of both countries. President Arpad praised Thailand, which is becoming a new economic tiger, and wished to see Thai business invest in his country. On the same day, Gen. Suchinda visited the Institute for Research and Development of Weapons and Military Communications, which is a principal agency in research and development of military communications, in terms of interception, interference, and trasmission of information via satellite service.

During his visit to Hungary as guest of the Hungarian army, Gen. Suchinda pledged to promote friendly relations between the armies of Hungary and Thailand to benefit mutual ties and cooperation in military affairs, such as exchanging information on weapons of different types. Army Chief Gen. Suchinda, who is also Vice Chairman of the National Peacekeeping Council, granted an interview to the mass circulation Nepszabadsag. The army chief told the newspaper that he believed a settlement of the Cambodian problem would be made easier if UN forces were allowed to have control. He said every country wants to see peace in Cambodia. This includes Thailand, which hosted a meeting of Cambodian leaders recently—the meeting which successfully produced movement toward a settlement at one level. The army chief also told the newspaper that another factor which could accelerate the peace process in Cambodia is that all parties must stop giving military assistance to the Cambodian factions. Gen. Suchinda expressed interest in buying weapons from Hungary if the Hungarian Government can supply Thailand with weapons of good quality at reasonable prices and also if Thailand has sufficient budget.

Team To Negotiate With Burmese Troops on Border

BK1209022391 Bangkok BANGKOK POST in English 12 Sep 91 p 5

[Text] Mae Hong Son—A military team from the border district of Mae Sariang is on its way to negotiate with some 200 intruding Burmese troops to withdraw from Thai territory at Doi Pa Tang in Ban Cho Tha, according to a border report.

The Burmese troops crossed the Salween River on Sunday and took up a position on Thai soil about one kilometre from the border.

With a better location on the Thai side, the Rangoon troops used mortars to attack the bases of the combined forces of minorities on Burma's territory.

The report said the Rangoon troops seized two military bases from the Karen National Union and Kya forces opposite Ban Cho Tha in Mae Sariang District after three days of fierce fighting.

Skirmishing continued yesterday and the report said the joint Karen National Union and Kya forces are still holding two bases.

Meanwhile some 400 Karen villagers at Ban Cho Tha on the Burmese side fled the fighting into Thailand.

Producers, IFPI Fail To Solve Piracy Issue

BK1109024991 Bangkok BANGKOK POST in English 11 Sep 91 p 26

[Text] Thai music tape producers and the International Federation of the Phonographic Industry (IFPI) were unable to settle the ongoing dispute over music tape pirates at a meeting yesterday.

But the Economic and Finance Crime Suppression Division's trade and commercial investigation deputy-superintendent, Pol Lt Col Ratawit Saentawisuk, said he hoped the matter would be concluded at the next round of talks.

The latest meeting, held at the Economic and Finance Crime Suppression Centre's headquarters, sought a compromise to settle the matter, but seven major audio cassette producers who comprise the "Standard Group" and representatives of the Thai Magnetic Tape and Record Association (TMTRA) did not accept the IFPI proposal, and made a counter-proposal.

Pol Lt Col Ratawit refused to give details of the TMTRA proposal, but he said channels were still open for further negotiation.

He said Thai tape producers pledged to work towards settling the dispute, so the IFPI should show its good faith by relaxing some of its tough conditions.

Under the IFPI proposal, foreign tape producers wanted Thai tape producers to stop producing new cassettes immediately [after] an agreement was reached, and it would provide a grace period to dispose of copied cassette tapes on the market.

An informed source in the TMTRA said the IFPI would separate music tape retailers into two categories: big operators who sell copied tapes in shopping centres and small sidewalk operators.

The IFPI set a condition for big retailers to dispose of copied cassette tapes in only three months.

But the IFPI would provide more time for small operators to dispose of the copied tapes on the market.

In the first month, legal tapes must comprise 20 percent of tapes released on the market, which would increase to 40 percent, 60 percent, 80 percent and 90 percent in successive months, and copied tapes would be totally eliminated from the market in six months.

Party Reaffirms Support for Gen. Suchinda

BK1109021591 Bangkok BANGKOK POST in English 11 Sep 91 p 3

[Text] The military-backed Samakkhi Tham Party yesterday reaffirmed its support for Army Chief Gen Suchinda Khraprayun's appointment as the next premier if it became the core party in the next coalition government.

The party's acting secretary-general, Wing Commander Thiti Nakonthab, a prime mover in forming the Samakkhi Tham Party (STP), said the STP's support for Gen Suchinda was "unquestionable" if the party won the most seats at the next general election.

Wing Cmdr Thiti, playing down an earlier comment by his close associate, Air Force Chief ACM [Air Chief Marshal] Kaset Rotchananin, that he would not mind being premier should he be asked to take the job, said the comment was meant as a joke as ACM Kaset's appointment was unlikely.

The former air force officer said he did not think ACM Kaset was serious since he and Gen Suchinda were classmates in Chunlachomklao Military Academy class 5.

"Our support for Gen Suchinda for the post is clear," he said. "We never once said we would support him (ACM Kaset) for the post."

Wing Cmdr Thiti is the elder brother of Dr Pamot Nakontham, a staunch critic of the military coup.

He said Prime Minister Anan Panyarachun was also qualified for the senior administrative post, but everything depended on the political circumstances of the time.

The STP has come out in support of the party-slate electoral system where electors vote for a party team and not individual candidates. It has said this system would strengthen the country's political party system.

The draft constitution calls for an enlarged constituency with four to seven MPs to each constituency with voters electing individual candidates across the party line.

Several veteran politicians have criticised the party-slate system claiming it would encourage increased vote-buying.

Wing Cmdr Thiti said he disagreed with this position as the system would increase the difficulty of vote-buying.

"People sell their votes because they have so many votes in hand. If they had only one vote, they would not sell it. They would cast it for their favourite.

"It's like a rich man and a poor man. The rich can spend without thinking, but the poor must think twice before deciding what to buy."

He cited the Nong Khai by-election in 1983 as an example when his younger brother, Nitinai, was elected.

He said that people had only one vote and they gave it to his brother rather than his rival.

"My brother is not likely to win under a system where voters can vote for each candidate as there will be a lot of vote-buying and he cannot afford to compete. But the people would not sell if they only had one vote to cast."

Wing Cmdr Thiti rejected the argument that the party-slate system would encourage the inclusion of influential figures in a team in which they could be elected on the same ticket as a strong candidate.

"Any party using such a trick is likely to commit political suicide," he said.

"Under the new system, each party has to try hard to find the best candidates. The people will make up their minds after taking into account all the candidates' qualifications."

Chawalit Rejects 'Imposed' Draft Constitution

BK1209023791 Bangkok THE NATION in English 12 Sep 91 pp A1, A2

[Text] New Aspiration Party [NAP] leader Gen Chawalit Yongchaiyut last night rejected the draft constitution which he said was unacceptable because it was imposed by the present power holders.

Chawalit turned his back on the draft constitution following a report that a group of more than 30 National Assembly members were discontented with the push by the air force for a party-slate electoral model to replace the individual voting system in the draft constitution.

At a meeting with a group of former student activists at Siam City Hotel, Chawalit said that if NAP observed the constitutional rules drawn up by the military, he did not think his party would be able to solve national problems even if he became prime minister.

Insisting that his party would pull out of the constitutional debate, Chawalit insisted that the new constitution must be promulgated after "democracy has been established."

Otherwise, he said, his party would consult with its membership, which he aimed to expand to five million throughout the country, on how the party would react. "We have our means to educate the public on the democratic issue. The people are like an ocean and our campaign would be creating waves in the ocean," he said.

For the moment, he said, his party would turn its back on the draft constitution and concentrate on rebuilding democracy by establishing a mass party.

Chawalit said that his party has refused to have anything to do with a "power pole" which is composed of the power holders and its political broker—a reference to the NPKC and the Samakkhi Tham Party.

Earlier on Tuesday night a group of more than 30 National Assembly members met at the Trinity Complex Building on Silom Road admidst reports that they wanted Supreme Commander Gen Sunthon Khongsomphong to lead the campaign against the proposal by the air force for a party-slate electoral system to be adopted under the new constitution.

Group coordinator Lt Gen Pricha Rotchanasen, who is Gen Sunthon's chief staff officer, said that the appointed legislators who are Supreme Command officers and civilians wanted the outgoing military leader to act as their "core." "They are just frustrated that they have been receiving the agenda of each National Assembly session just five days in advance, without any details," he said.

Sources in the group, meanwhile, told THE NATION that Sunthon had sent a message to the gathering that he wanted them to exercise their own judgement in voting on the amendments to the draft constitution.

Sunthon said last night that he decided against attending the meeting because he did not want to be accused of being impartial.

"As NPKC chairman, I have to remain neutral. I must act in conformity with my position which was granted me by His Majesty the King," he said.

But he denied he had turned down the approach by the group.

"I have not turned it down, but I don't think it appropriate for me to meet them," he said.

Sunthon admitted that he still stayed in touch with Chawalit whom he referred to as his "boss."

He also defended Chawalit against criticism that the NAP leader was trying to drive a wedge between the interim government and the NPKC.

"Gen Chawalit is too polite to interfere (in the affairs of the interim government and the NPKC)," he said.

Sunthon declined comment on the constitutional dispute and said he would never pass along any instructions on the constitutional amendments to the National Assembly.

He also categorically denied having any ambition to seek the premiership. He said he would stay away from politics even if his supporters called for his premiership. "Definitely not. I am not equal to the job," he said.

Col Narong Kittikhachon, who was also at the unprecedented meeting, seen as a gesture by its members to show their independence from the army and air force leaders in the National Peacekeeping Council (NPKC), said that the majority in the group voiced objection to Air Force Commander in Chief ACM Kaset Rojananin's push for the party-slate system in which voters would be required to pick candidates from the same ticket.

"Most of us at the meeting agreed that voters should be allowed the right to elect candidates from different parties. This should be a more beneficial system than the party-slate model," he said.

He said the appointed legislators were confused over the different stands taken by the air force and the army on the issue. "It seems that the army prefers the individual voting principle while the air force wants it the other way," he said.

Narong said the appointed legislators agreed that they should get together from time to time to improve their performance in the National Assembly.

"Our group should meet to discuss our joint stand before each and every assembly meeting," he said.

A source in the group who asked not to be named said that the assembly men from the Royal Thai Navy had taken a "neutral stand" in the constitutional row between the air force and those loyal to the supreme commander.

Those from the army have not taken a formal stand on the controversy and Army Commander in Chief Gen Suchinda Khraprayun, who is now on a European tour, had previously refused to venture his views on the issue, saying he did not want to influence the opinions of the appointed legislators. However, the group loyal to Sunthon speculated that the army would eventually side with the air force in the constitutional dispute, one source in the group said.

Kaset's push is seen as an attempt to help the pro-military Samakkhi Tham Party, which was formed to compete with the New Aspiration Party of former army chief Gen Chawalit Yongchaiyut and to back Suchinda as the country's next prime minister.

The source said he expected some in his group to voice opposition to the air force's proposal during the debate to amend the draft constitution in the second reading.

"Not that we would oppose it head-on. We will stick to reason in our debate," he said.

The flurry of activity came as 42 National Assembly members yesterday formally registered their applications with the committee scrutinizing the draft constitution, asking for debate to amend the draft. Representatives of NAP, Prachakon Thai, and Solidarity Party yesterday also submitted their proposals with the committee on the constitutional amendments in the second reading.

Columnist on Draft Constitution Amendments

BK0509022791 Bangkok BANGKOK POST in English 5 Sep 91 p 4

[By Soemsuk Kasitthipradit: "Power Play on the Charter Chessboard"]

[Text] The appointment of the 25-member Constitution Scrutinising Committee has boosted the Samakkhi Tham Party [STP]'s confidence and strengthened its belief that amendments to the draft constitution would enable the party to ask Army chief Gen Suchinda Khraprayun to lead the next coalition government.

Since its formation, the STP has made its political stance clear: To support Gen Suchinda as the next prime minister. This is another reason why a number of top military officers—such as Air Force Commander-in-Chief ACM Kaset Rotchananin and Army Chief-of-Staff Gen Wirot Saengsanit—have given the party their blessing.

The Samakkhi Tham Party believes that the electoral system would be changed from the current method, which allows voters to choose individual candidates, to a party-slate system. Under the draft constitution, voters will be able to choose between four to seven MPs, depending on the size of the constituency.

Under the party-slate electoral system, any party that has considerable financial support or has more well-known and influential politicians within its ranks, will be favoured over other parties with less distinguished members.

"The STP would have an edge on the New Aspiration Party if the party-slate system was used in the elections. And by this political tactic Gen Suchinda would have a considerable chance of becoming the next prime minister after elections," said one National Legislative Assembly (NLA) member who closely monitors the political situation.

In addition, the STP also favours increasing the power of senators.

Last week's appointment of the Constitution Scrutinising Committee is considered a crucial step towards amending the electoral system since more than half of the committee members have close connections with the National Peacekeeping Council (NPKC).

Eight committee members are from the Army, Air Force, Navy and Police. There are also 10 civilians considered to be close to the NPKC leaders.

"It is absolutely clear what will be the outcome of the constitution scrutiny," said another senior NLA member. "In the history of Thai coups d'etat, no coup organisers have given up power voluntarily. The list of committee members does not surprise me at all."

The NLA member urged the public to closely follow the political situation. There was a trend, he added, that the NPKC might be given the responsibility of appointing senators during the transition period.

Over the past several months, the STP has tried hard to recruit politicians from several parties, assuring them that the STP would become the core party in forming the next coalition government because it has direct support from the ruling Class 5 Army officers led by Gen Suchinda.

Several well-known politicians have tried to stay away from the STP, but many former MPs have decided to join the party.

"The STP boasts that there will be amendments to the electoral system, that it will be changed to the party-slate system," said former Deputy Finance Minister Niphon Phromphan of the Democrat Party. "But some politicians doubt it."

Mr Niphon admitted that if the electoral system was changed, more former MPs would join the STP. "But now they still doubt whether the party enjoys Army support," he said. Mr Niphon was personally asked by STP secretary-general Thiti Nakhonthap to join the party, but he turned down the offer.

Samakkhi Tham's strength is unquestionably clear in the North, where STP leader Narong Wongwan has much support. Even Democrat Party secretary-general Sanan Khachonprasat, an MP for Phichit, does not question the STP's strength in this region.

But a major question mark hangs over the STP's influence in the Northeast. So far, the STP has been unable to recruit well-known politicians in this region. Those who have turned down the STP's offers include former Deputy Interior Minister Sukhum Laowansiri (Chart Thai, Nakhon Ratchasima), former Deputy Communications Minister Suwat Liptaphanlop (Puang Chon Chao Thai, Nakhon Ratchasima), former Science Minister Prachuap Chaiyasan (Democrat, Udon Thani) and Mr Niphon.

"There is no truth among the outlaws," Mr Prachuap told the BANGKOK POST when asked whether it was true that he had promised to join the STP.

Wing Commander Thiti claimed earlier that Mr Prachuap, a four-time MP for Udon Thani, would join the STP. With Mr Prachuap's political influence, the party could gain as many as 12 seats in the province, he said.

Mr Prachuap says he has been under considerable pressure during the past six months prior to the Assets Examination Committee's decision to clear him of the charge of being "unusually wealthy." It was reported that Mr Prachuap may not run in the next general elections, a clear hint that an influential group wanted him to remain idle if he decided not to join the STP.

But now Mr Prachuap has declared: "I will certainly run next time under the Democrat banner."

Mr Prachuap's stance has disappointed top STP officials, who told the POST that "when the time (for elections) comes he (Mr Prachuap) will not be able to run there." The officials did not elaborate.

Latest reports that former Social Action Party MP Prasop Butsarakham would run under the Democrat banner also worry STP officials. Despite the setbacks in the Northeast, the STP is still confident that after the second and third readings of the draft constitution more former MPs will join the party.

Asked last week whether the STP still believed that a change in the electoral system was inevitable, one STP member said he there was no question about it. [sentence as published]

While there is still a divergence of views as to whether the system would be changed or not, there appears to be agreement among veteran observers that political tension may increase over the next few months. There are clear signs, they say, that democratic groups within the political arena will join forces because they believe that the NPKC will not give up power.

NPKC, Antigraft Board Expiration Discussed

BK1309014191 Bangkok THE NATION in English 13 Sep 91 p A4

[Text] The anti-graft committee the National Peacekeeping Council [NPKC] formed to investigate politicians and the military council itself will cease to exist on the first day an elected parliament convenes its first session, NPKC chairman Gen Sunthon Khongsomphong said.

Sunthon said at the Oriental Hotel on Wednesday night that the committee should complete all its investigation before the general election.

Committee secretary Chaichet Sunthonphiphit yesterday said some politicians' assets would definitely be seized and turned into state property in the final investigation.

Chaichet said the seizure of some politicians' assets would not simply be fiction as speculated by someone, but would become real. Chaichet refused to name any politicians for the time being.

The committee had taken about six months to complete the initial investigation of all the 25 politicians with 13 of them declared as having acquired unusual wealth while in office and 12 being dropped from the list.

Chaichet said anybody holding assets on behalf of the 13 politicians pending further investigation has to notify those portions of assets to the committee. Otherwise, they would have to face criminal charges, he added.

Chaichet said he had so far been informed only about the assets owned by politicians and those jointly owned by politicians and their acquaintances.

However, Chaichet said he was investigating whether some politicians had put their assets under their acquaintances' names.

Asked to comment on reports that Bunphan Khoewatthana, a Social Action Party member, owned a portion of assets on behalf of a politician, Chaichet said there was no affirmation on whether that was true. The committee was looking into the matter, he added.

Mongkhon Pao-in, a subcommittee president of the anti-graft committee, yesterday said he had a made a lot of headway in investigating former Deputy Premier Pramuan Saphawasu as there was much information on the case.

Concerning former Industry Minister Banhan Sinlapaacha's case, Mongkhon said Banhan would submit his evidence to clear himself with the subcommittee either on Saturday or on Monday.

According to Mongkhon, committee chairman Gen Sit Chirarot had urged the four subcommittees to finish their investigation by the middle of this month. He said only the investigation of some politicians' assets would be completed by that time.

The 13 suspects facing further investigation are former Prime Minister Chatchai Chunhawan, former Communications Minister Montri Phongpanit, Banhan, former Interior Minister Praman Adireksan, former PM's office minister Chaloem Yunbamrung, former Commerce Minister Subin Pinkhayan, Praman, former Deputy Interior Minister Sano Thianthong, former Deputy Interior Minister Watthana Atsawahem, former Deputy Finance Minister Suchon Champhunot, former Commerce Minister Chuchip Hansawat, former Deputy Commerce Minister Phinya Chuaiplot and former Prime Minister Chatchai's adviser Phithak Intharawitthayanan.

Vietnam

U.S. Peace Walk Group Calls for SRV Ties

BK1309094591 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 11 Sep 91

[Text] A 33-member group of Americans, including war veterans of the Vietnam war, Vietnamese residents in the United States, students, teachers, medical doctors, psychologists, businessmen, and ecological scientists—ranging from 19-75 years old and led by (Allen Alfred)—arrived in Hanoi on 24 August for the peace walks in Vietnam.

The peace walks is aimed at demanding the U.S. Government to lift its embargo against Vietnam and to normalize relations with this country. The group conducted peace walks in Hanoi, the Ha Long Bay, and Vinh, Hue, and Danang cites. On 4 September the group arrived in Ho Chi Minh City. They met with and answered questions by the Vietnamese people in many localities where they were warmly welcomed.

In Ho Chi Minh City, the group planted a tree in front of the former U.S. Embassy and sent a letter to U.S. President Bush saying: The economic war waged against Vietnam by the U.S. Government since the withdrawal of U.S. troops from this country has caused much suffering to the Vietnamese people. Actually, the Vietnamese and American peoples have forgiven each other for quite a long time, thus our government should do the same at present. We should immediately open our embassy in Vietnam, stop the economic embargo, normalize relations with Vietnam, and eliminate Vietnam from the list of U.S. enemies.

On 6 September, the group left Ho Chi Minh City for home, thus concluding the peace walks in Vietnam.

Hanoi School Football Team To Tour U.S.

BK1209162391 Hanoi VNA in English 1440 GMT 12 Sep 91

[Text] Hanoi VNA September 12—A group of Hanoi school football players will leave here next week for a game tour in the United Sates as guests of Rev. Philip J. Cascia and a charity organisation in Connecticut, the USA.

The group, including 15 players and 2 coaches, will play 6 friendly matches in Virginia and Washington from Sept. 20 to Oct. 1.

This is he first sport team of Vietnam to be sent to the United States.

Daily Opposes U.S. Forces in Philippines

BK1309100091 Hong Kong AFP in English 0937 GMT 13 Sep 91

[Text] Hanoi, Sept 13 (AFP)—Vietnam said Friday it opposed the renewal of the lease on the U.S. Subic Bay military base in the Philippines, which is to be voted on in a few days by the Senate in Manila.

"Whatever the result of the upcoming vote, the political climate ... in the region and in the world has created a situation that is not favourable to maintaining or reinforcing the U.S. military presence in the country," the official NHAN DAN daily said.

"The fate of the U.S. naval base is a headache for Washington and Manila," the paper said, adding that "opinion is increasingly divided on the new treaty to renew the U.S. presence at Subic Bay for another ten years."

The treaty is expected to be formally rejected by the Senate on or before Monday, when the current 25-year U.S. lease on major bases in the Philippines expires.

The Soviet Union, Vietnam's closest ally in recent decades, has a base at Cam Ranh Bay in southern Vietnam, which U.S. experts believe is Moscow's largest overseas military facility.

According to Soviet officials, Moscow, which has been loosening its ties with Hanoi, began reducing its forces at the base last year.

Soviet Ambassador Rashit Khamidulin said here Thursday that a decision by the Soviet military to leave the base "is to be discussed with the Vietnamese."

The Soviet presence will continue to be reduced "but the two countries would discuss the matter," the envoy said, reaffirming the official line that Cam Ranh Bay is a Vietnamese base used by the Soviets for logistical and technical support.

Further on Foreign Minister's Visit to PRC

South China Visit Reported

BK1209155191 Hanoi VNA in English 1541 GMT 12 Sep 91

[Text] Hanoi VNA Sept. 12—Vietnamese Foreign Minister Nguyen Manh Cam and is party left Beijing this afternoon for a visit to Guilin and Nanning in South China.

He is accompanied by Vietnamese Ambassador to China Dang Nghiem Hoanh.

He was seen off at the airport by Chinese Deputy Foreign Minister Xu Dunxin.

NHAN DAN Commentary Lauds Talks

BK1309071091 Hanoi VNA in English 0603 GMT 13 Sep 91

[Text] Hanoi VNA Sept 13—The normalisation of Sino-Vietnamese relations not only meets the aspiration of the two peoples but also actively contributes to peace, stability, cooperation and development in the region and the world as a whole, says NHAN DAN in a commentary today on the results of the recent official China visit by Foreign Minister Nguyen Manh Cam.

"Vietnam and China", the paper says, "are neighbouring countries sharing mountains and rivers. The two peoples are bound by traditional friendly ties, have supported and helped each other in their struggles for national liberation and socialist construction. We treasure that friendship and wish to normalise the Sino-Vietnamese relations. This has been made clear in the resolution of the 7th Congress of the Communist Party of Vietnam. At this congress, the Communist Party of Vietnam reaffirms the Vietnamese party and state's policy to "accelerate the process of normalisation of the relations with China, step by step broaden the Sino-Vietnamese cooperation, and solve the remaining questions between the two countries by means of negotiations". The Vietnamese people have been following with keen interet and joy the positive developments in the process of normalisation of the relations between the two countries. The contacts between the two sides and the improved situation at the border have brought joy to both sides. The results of the official China visit of Foreign Minister Nguyen Manh Cam are a new inspiring event. We are very glad to learn that a high-level Sino-Vietnamese meeting will take place this year".

"We believe that with continued efforts from both sides, the Sino-Vietnamese relations will be fully normalised thus meeting the aspiration and interests of the two nations and contributing to peace, stability and cooperation in the region", the paper concludes.

Commentary Notes Improved Ties

BK1209163991 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 12 Sep 91

[Commentary by station editor Thanh Hai: "An Important Step in the Complete Normalization of Sino-Vietnamese Relations"]

[Text] In Beijing today, 12 September, a press communique was released on the meeting betwen the foreign ministers of Vietnam and China. The communique said: At the invitation of PRC Foreign Minister Qian Qichen, SRV Foreign Minister Nguyen Manh Cam paid an official visit to the PRC beginning 9 September 1991.

Chinese Prime Minister Li Peng received Minister Nguyen Manh Cam and his entourage.

State Councillor and Foreign Minister Qian Qichen and Foreign Minister Nguyen Manh Cam exchanged views on how to contribute to finding a comprehensive political resolution of the Cambodian issue, on Sino-Vietnamese relations, and on international issues of mutual concern. The meeting took place in a friendly, sincere, and frank atmosphere.

The two sides unanimously agreed on the need to take practical steps toward restoring relations and cooperation between the two countries in various areas—in economic, trade, communications, scientific and technological, and cultural relations—in order to gradually normalize Sino-Vietnamese relations.

The communique also said: In their meeting the two sides exchanged views on a visit to China by Vietnamese leaders within this year and reached an identity of views on this matter. Foreign Minister Nguyen Manh Cam invited Foreign Minister Qian Qichen to visit Vietnam at a convenient time. Foreign Minister Qian Qichen accepted the inviation with pleasure.

This is good news for the Vietnamese and Chinese peoples, who have closely monitored Foreign Minister Nguyen Manh Cam's visit because it is the first visit to China by a Vietnamese foreign minister after more than 10 years of abnormal relations. Both Vietnam and China consider this visit an important landmark in the relations of the two countries.

Speaking to newsmen at home and abroad before departing Hanoi for China, Foreign Minister Nguyen Manh Cam said he was very happy to have the chance to pay an official friendly visit to the PRC, and that his visit is an important step in the complete normalization of Sino-Vietnamese relations.

On the Chinese side, both Prime Minister Li Peng and Foreign Minister Qian Qichen have warmly welcomed Foreign Minister Nguyen Manh Cam's official visit to China and expressed delight at seeing progress in the development of relations between the two nations. Prime Minister Li Peng also stressed that conditions are ripe for normalizing Sino-Vietnamese relations and that the friendly relations between the two countries are in conformity with the trend of peace and stability in the region. Vietnam and China are two close socialist neighboring countries that used to cooperate and help each other in the struggle for national liberation. The abnormal relations between the two countries during the past more than 10 years were but temporary. Now the dark cloud is moving away and Sino-Vietnamese relations have brightened.

Thanks to the splendid result of the friendly visit to China by Foreign Minister Nguyen Manh Cam, an important step has been achieved in the normalization of Sino-Vietnamese relations. Moreover, the normalization of relations between SRV and PRC border provinces has been expanded. As a result, the restoration of Sino-Vietnamese relations in other fields has now become necessary and more steps will be taken to restore the contacts and cooperation between the two countries in the areas of economy, commerce, transportation, science and technology, and culture. All these events will gradually lead to the complete normalization of Sino-Vietnamese relations.

This important development is in response to the aspirations and basic and long-term interests of the peoples of the two countries and in conformity with the Five Principles of Peaceful Coexistence and the trend of peace, stability, and cooperation in the region, which has been welcomed not only by peoples of the two countries but also by a broad segment of public opinion in the region and the world.

The Vietnamese people warmly welcome and are very happy at these splendid results. As the resolution of our Seventh National Party Congress clearly stressed: The Vietnamese people wish to live in peace to build their nation and develop the economy so as to contribute to strengthening peace, stability, and cooperation in the region and the world.

With the open-door policy adopted by the recent Seventh National Party Congress, we wish to befriend all countries in the world community, including our neighbor China and other countries in the region.

This is our general foreign policy in the current international situation and is aimed at firmly maintaing peace, expanding the relations of friendship and cooperation, and creating favorable international conditions for the cause of socialist construction and national defense, thereby positively contributing to the world people's common struggle for peace, national independence, democracy, and social progress.

Soviet Envoy on Ties, Republic Economic Pacts

BK1209155991 Hanoi VNA in English 1545 GMT 12 Sep 91

[Text] Hanoi VNA Sept. 12—The Soviet Union has done and will do all it can to maintain its political relations with Vietnam, said Soviet Ambassador to Vietnam R.L. Khamidulin at a press briefing here today on recent developments in the Soviet Union.

Asked by NHK of Japan about the bilateral economic relations beween Vietnam and the Soviet Union, the Soviet diplomat said that economic cooperation between the two countries is being undertaken in a new form. Of late, he specified, agreements on economic relations have been signed between Vietnam and the Russian Federative Republic and the Ukrainian Republic. These are concrete examples of the continued economic cooperation between the two countries.

In reply to a question concerning the alleged suicide of a Soviet citizen at the Soviet Embassy in Hanoi, the Soviet ambassador said that the man was deputy head of the Soviet trade representation in Hanoi. He died of a long-term heart disease, not by suicide as has been falsely reported.

Vo Van Kiet Receives Japanese Cultural Group

BK1309085791 Hanoi Vietnam Television Network in Vietnamese 1200 GMT 12 Sep 91

[Text] On 11 September, Chairman of the Council of Ministers Vo Van Kiet cordially received in Hanoi some members of the Japan-Vietnam Cultural Exchange Association delegation currently on a visit in our country.

Chairman Vo Van Kiet highly appraised the contributions of the association as well as Japanese cultural activists to strengthening the cultural exchanges and friendly relations between the peoples of the two countries, and hoped that these relations would develop every day.

On behalf of the delegation, the Japanese guests expressed their joy at visiting Vietnam, witnessing Vietnam's achievements in the renovation process, and understanding more about Vietnam's rich culturre. The guests asserted that the Japan-Vietnam Cultural Exchange Association would do its utmost for friendship and cultural development in each country.

Before leaving Hanoi for Ho Chi Minh City, the general secretary of the association and Comrade Vu Khac Lien signed an agreement on cultural exchange between Vietnam and Japan. The signing was witnessed by many representatives of various agencies in the country and the Japanese ambassador to Vietnam.

Public Administration Official Visits Sep 6-10

BK1109056991 Hanoi VNA in English 0553 GMT 11 Sep 91

[Text] Hanoi VNA September 11—Prof. Dr. R.P. de Guzman, director general of the Eastern Regional Organization for Public Administration (EROPA), visited Vietnam from September 6-10.

While here, Mr. Guzman had working sessions with the public administration school, the Commisssion for Organizational and Personnel Work, and the Ministry of Foreign Affairs. He was also received by Assistant to Foreign Minister Dang Nghiem Bai.

Denmark's Red Cross Aids Disaster-Hit Areas

BK1009145691 Hanoi VNA in English 1428 GMT 10 Sep 91

[Text] Hanoi VNA September 10—The Vietnam Red Cross (VRC) received here today 1,850 kilograms of medicines and medical instruments valued at USD [U.S. dollars] 46,000 as aid from the Denmark Red Cross (DRC) to natural disaster-stricken areas.

On behalf of the DRC, Mr. Michael Sidman, head of the mission of the League of Red Cross and Red Crescent Societies in Hanoi, handed over the donations to Mr. Do Duc Duong, deputy secretary general of the VRC.

This is the first aid from the DRC to the VRC.

19 Foreign Investment Projects Licensed in Aug

BK1309072491 Hanoi VNA in English 0615 GMT 13 Sep 91

[Text] Hanoi VNA Sept. 13—The State Committee for Cooperation and Investment in August granted licences to 19 more foreign-invested projects in industry, farm produce processing, car assembly, hotel construction and tourism, and services with a total investment of U.S.$127 million, of them U.S.$91 million from foreign investors.

Major projects include a joint venture in car assembly between Vietnam and the Columbian Motors Corporation and Imex Pacific Inc. of the Philippines, the Bong Sen (Lotus) joint venture between the Vietnam National Foreign Trade Forwarding and Warehousing Corporation (Vietrans), the Vietnam Ocean Shipping Agency (VOSA) and the Black Sea shipping company Blasco of the Soviet Union, the Port Service Enterprise in Nha Be District, Ho Chi Minh City specializing in cargo loading and transport, the Dalat Resort Incorporation (D.R.I.) which cooperates with Danao Limited Virgin Island (Hong Kong) in tourist services in Dalat, a health resort in the central highlands province of Lam Dong and the Song Chau silk joint venture between the Song Chau Sericulture Enterprise in Ha Nam Ninh Province and Hong Kong's Melstrong Ltd.

Ideology To Be 'Highest Priority' for Army

BK1309093491 Hong Kong AFP in English 0856 GMT 13 Sep 91

[Text] Hanoi, Sept 13 (AFP)—The most pressing task for the Vietnamese Army is to develop a firm ideological commitment to defending communism in the country, the daily QUAN DOI NHAN DAN said Friday.

"At a time when the global situation is undergoing complex changes, policy and ideology must be given the highest priority," the army newspaper said in reference to the recent landmark developments which have led to the collapse of communism in Eastern Europe and the Soviet Union.

The authorities in Hanoi have rejected these changes, pledging to maintain the leading role of the Vietnamese Communist Party (VCP) and to continue on the socialist path.

At this time "hardened troops must above all be politically and ideologically hardened," the paper said, adding that "the soldiers' political and ideological level should to a great extent reflect their knowledge of the socialist objectives of the Vietnamese revolution."

The newspaper said that if the army was equipped with faith in the Marxist-Leninist ideal, "it would, together with the party and the people, always continue along the revolutionary path in the face of such recent upheavals as in Eastern Europe and the Soviet Union."

"Under these circumstances, the army becomes increasingly aware that the defence of the country cannot be disassociated from the defence of political stability and the socialist regime."

A stance which advocates "taking politics out of the army is foreign to us and contrary to the principles governing the training of troops in our country," the paper said.

In recent months the Vietnamese Army, largely controlled by the Vietnamese Communist Party, has repeatedly reaffirmed—through its generals—its loyalty to the party and its determination to defend socialism's leading role in the country.

At a meeting Monday and Tuesday, the State Council decided to promote General Dao Dinh Luyen to army chief, replacing General Doan Khue, who took over as defense minister in August, the official NHAN DAN newspaper reported Thursday.

The paper said the council appointed General Le Kha Phieu as director of the army's General Political Office, replacing General Nguyen Quyet, who was not re-elected to the post by the Communist Party Congress in June, when Luyen and Phieu joined the party's powerful Central Committee. Defense Minister Khue, a member of the party Politburo, replaced General Le Duc Anh in a cabinet reshuffle last month in which Anh became mumber two in the Politburo, responsible for defence and security.

Article Views Democracy, Political Pluralism

Part One

BK1109124191 Hanoi Voice of Vietnam Network in Vietnamese 1400 GMT 10 Sep 91

[Article by Doan Chuong: "Another Discussion on Democracy and Political Pluralism" (Part One)]

[Text] When the movement for political pluralism erupted in Eastern Europe, a number of people quickly grasped hold of it and used it to serve their own interests. The enemy and bad elements abroad have tried different ways to affect the situation in the country. Some of the masses have been alarmed and worried.

The party has promptly adopted a clear-cut stance by making public its determination not to accept political pluralism or opposition by a multiparty system and to resolutely struggle against those incorrect concepts and activities aimed at undermining political stability.

Little by little, the harsh realities in a number of countries that used to belong to the socialist camp but which now implement political pluralism have served as comprehensively useful lessons capable of shedding light on many issues.

On the other hand, thanks to its political, ideological, and organizational singlemindedness, the Seventh Party Congress has ended in success and has restored the trust of our entire party and people as well as the confidence of our friends on the five continents.

However, instead of giving up their perfidious schemes, the enemy and bad elements abroad have continued to send in materials aimed at promoting political pluralism and a multiparty system. Meanwhile, certain people at home still remain confused and wavering, asking themselves whether leadership by a single-party system or a multiparty system would guarantee true democracy. They also say that given the present information explosion and current third wave of civilization, democracy is the trend of the times. In their opinion, in the short range, a single-party system may be suitable for the concrete situation in our country. However, sooner or later, we must implement a multiparty system and political pluralism in order to keep pace with the common trend, and so forth. Therefore, it is necessary to move in the direction of democracy, political pluralism, and a multiparty system.

Obviously, the current development of modern science and technology has exerted a strong impact not only on the economic but on the political and social aspects of life. An unprecedented information explosion has taken place. Generally speaking, the people's intellectual level has been drastically improved. Cultural and social activities have been enriched and diversified with every passing day. In addition to an inclination toward the internationalization of economic operations, there has developed a tendency toward the democratization of political activities. Attempts to use cruel and extreme political maneuvers are all subjected to rigorous challenges.

However, democracy and political pluralism do not mean the same thing, and political pluralism does not mark a high stage of the development of democracy, either. Democracy is an historical category and it involves criticism and judgment. Democracy is linked with the class struggle; the political system of each actual state; and law, institutions, statutes, and so forth. There is no such thing as pure democracy, general democracy, or abstract democracy. If one wants to evaluate a democratic system, one must base one's thinking not only on stated mottos but also on the ways those mottos are translated into reality. Also, one must determine if that democratic system is genuine or fake, or if that system is designed to serve the interests of the majority of the people rather than those of a small group of rulers and exploiters. This is a fundamental, clear-cut principle for everyone to understand.

In the process of historical evolution, the bourgeoisie once assumed a positive role by joining hands with the working class in overthrowing the feudal regime and in establishing a bourgeoisie-led democratic regime, which marked an important stage in the progress of mankind.

Ironically enough, after liberating mankind from the shackles and chains of feudalism, that democratic regime has imposed capitalism's heavy yoke of oppression and exploitation on the laboring people. Therefore, the class struggle has continued to increase in intensity with each passing day.

The bourgeoisie did not share the same interests. Like big fish swallowing fries, a harsh struggle developed in the bourgeoisie's ranks when it involved individual interests. Faced with that fierce class struggle and the political struggle, the ruling bourgeoisie had to accept a pluralistic political system and the existence and operations of opposition parties. Of course, those opposition parties could gain recognition from the ruling clique only through their position of strength. Otherwise, they could have been subjected to ruthless repression.

So stated, multipartite opposition, political pluralism and the mechanism that accepts the existence and operation of opposition parties are products of the class struggle and the political struggle, and they reflect the relationship between the class struggle and the political struggle under specific historical conditions.

However, the ruling bourgeois will never give up their right easily. If they were to be defeated, they would rather be beaten by another bourgeois party than by the communist and workers parties. On the contrary, they have sought every way to paralyze the struggle and activities of their opponents, especially the laboring people. Their perfidious and deceitful maneuvers are aimed at making people misunderstand that the state is something above classes and parties. They advocate free elections, free electoral races and programs for whoever is the best—those who get the most votes will win. However, is this true freedom? With money, power, and subtle, cunning maneuvers, they sought every way to deceive the communist and workers' parties and then they competed crookedly with one another. As a result, bourgeois parties have taken turns seizing power. As for communist and workers parties, it is difficult for them to get power through elections.

What is rather ironic is that laboring people are granted democracy but they can never elect their true delegates, even though workers constitute the largest force among the people; they have to elect the enemies of their class to be their own masters. Let's consider what are called free multipartite elections in an East European country that used to be a socialist country. Not only was outside money dumped into the country but also party members in exile returned to the country to conduct electoral campaigns. Umpteen gracious promises were made, but these finally turned into the sweet words of mere annexation, which made people live in shameful misery, facing unemployment.

How about the United States, which claims to be the most democratic country in the world and the paradise of the free world? The same refrain has been sung over and over. The Democratic and Republican parties have alternatively taken turns to rule. And even though no agreement has been concluded, by and large with only a few exceptions, none of them can stay in power for more than two terms of office. They boast about their freedom of speech. Is it really so? Have the bourgeois mass media ever conducted propaganda for communism? Never ! Is it right that they have actually insulted their prime ministers and presidents publicly? Yes, and even more they have tried to find fault with one another through mudslinging. The question is, who controls and finances the mass media? They are corporations, trusts, bourgeois of various factions. And of course, the mass media must serve these financing masters.

In assessing the recent situation of peaceful evolution in East Europe, the U.S. political circles did not forget to praise the merits of the mass media, especially the Radio Free Europe station. And it is not difficult at all to learn that recently Vietnamese language programs of Western radios have been beamed toward our country to instigate pluralism and a multipartite approach.

Part Two

BK1209142191 Hanoi Voice of Vietnam Network in Vietnamese 1400 GMT 11 Sep 91

[Article by Doan Chuong: "Another Discussion on Democracy and Political Pluralism" (Part Two)]

[Text] In an attempt to make people believe that they maintain a partial and objective attitude and distance themselves from the influence of social classes and parties, they have clamored about a policy aimed at depoliticizing state apparatuses, control mechanisms, and mass media. They have planted agents in all social organizations and made use of the influence of opposition parties to make the situation develop to their advantage. Every time they gain power through a majority of votes, they make arrangements for their side to become the ruling party. This is easy to understand because without such a move they cannot consolidate and develop the power they have gained. Therefore, political pluralism means neither democracy nor a high stage of development of democracy.

The bourgeoisie has often boasted that its pluralistic political system is good because it is based on modern democracy. The truth is that the sole objective of that system is to eliminate the communist party and maintain and develop the power of the bourgeoisie. This move has been laid bare by cases involving several East European countries, where political pluralism has been implemented but the communist parties still hold the majority of seats and maintain power. As such, these nations have not been classified as democratic countries.

Based on the above-mentioned facts, we must straightforwardly admit that genuine democracy, democracy that benefits the vast majority of the laboring people, and a high stage of development of democracy can only exist under a socialist democratic system. Though it still displays shortcomings, socialist democracy is genuine. Basically, so long as oppression and exploitation remain, it is difficult to guarantee freedom and equality between oppressors and exploiters and their victims.

Therefore, it is correct to persist in the socialist path and in our efforts to build the socialist democratic system we have chosen. Let's rectify shortcomings, if any. Anyway, let's be determined not to fall into the enemy's trap. Democracy or the lack of it and the level of democratization do not depend on a single-party system or a multiparty system. As we have already determined in our analysis, the application of a single-party system or a multiparty system depends on the real situation and the relationship between the class struggle and the political struggle under specific historical conditions.

When our party was first established many parties were operating in our country. However, our people chose our party's leadership. After we regained power and faced the danger posed by internal and external enemies, Uncle Ho applied the tactic of using a coalition government to rally our entire people in the struggle against foreign aggression. Soon, such opposition parties as the Vietnam National Party and the Vietnam Revolutionary Party exposed themselves as reactionary organizations. In addition to our party, two other democratic parties—the Democratic Party and the Social Party—joined the national unity front.

Our party's leadership over society and the state has survived the tests of history and reality and has also gained our people's recognition and confidence. Therefore, our party has flatly maintained that now that there is no objective need for our country to establish a pluraristic political system or opposition by a multiparty system, to recognize a multipartite opposition would mean creating conditions for the instant emergence and legalization of reactionary hostile forces at home and abroad so they could conduct activities aimed at opposing our fatherland, people, and regime. This is something our people have flatly rejected.

So, in its capacity as a leading party, how can the party ensure that the people's democratic rights are fully exercised? This is a question that must be scrupulously pondered so that our responsibility to the people and history can be fulfilled.

The Seventh Party Congress has set forth guidelines for leadership that we should extensively study and seek to thoroughly understand so we can creatively apply them with the aim of accelerating our process of renovation.

First of all, the party must renovate and readjust itself and must fulfill Uncle Ho's sacred testament. That is, the party must make itself worthy of being the leader and unwaveringly faithful servant of the people. It must also devote all its soul and will to serving the people and struggle, at all costs, to overcome bureaucratism, officiousness, authoritarianism, despotism, and particularly corruption and the lust for special rights or privileges. These are bad practices that not only alienate the party from the masses but are also very vicious offenses against the people.

It is necessary to continue revamping and purifying the party from top to bottom, especially at the grass-roots level, and to foster openness between the party and people while satisfactorily instilling democracy to use it as the basis for democratizing all social activities in the proper direction. Conversely, the democratization of social life will positively contribute to building the party, as does the current struggle against smuggling and corruption.

As defined in its statutes, the party is the leading body of the political system and at the same time a constituent part of that system. The party respects the roles of the state and the Vietnam Fatherland Front and other mass organizations and operates within the framework of the Constitution and the law.

It is important to renovate the substance and mode of party leadership and the structure of the state machinery and its mode of management on the basis of clearly defining their functions and relations. The party's function is leadership, while the state's function is management. It is not right for the party to take over administrative work and for the state to extricate itself from party leadership.

The central issue is that all power belongs to the people. The party must lead in such a way that it ensures that fundamental concept, and the state must also perform management functions in such a way that it manifests that fundamental principle. Only in this way can the state consider itself a state of the people, by the people, and for the people.

As Uncle Ho put it, our administration is one of action, not under a parliamentary regime but under a system of democratic centralism. The key issue is that we must satisfactorily implement the system of people's representation by selecting qualified deputies to perform their work with real power and concrete efficiency, and not as a mere formality, or to show off, or for no purpose at all.

However, people's democracy is manifested not only through the system of representation but also through direct control and supervision activities. Since there is a mechanism for elections, there must also be a mechanism for the removal of deputies and a mechanism for the people's control and supervision of administrative activities. The people must be allowed to contribute their views extensively to all the important resolutions and policies. The people have the right to dispense information on and ask questions about the common tasks of the country, while party and state organs are duty-bound to answer the questions raised by the masses.

Democracy is a political conception and also a legal conception. Democracy must go hand-in-hand with a legal system. All the regulations of the state and all the interests and obligations of citizens must be legalized. The state manages society by law. All people are equal before the law without exception. Democracy cannot exist without centralism, law, discipline, and a responsible citizenry. True democracy, on the one hand, is opposed to dogmatism and despotism and, on the other hand, is opposed to anarchic liberalism.

We must maintain vigilance against demagogism and the trick of taking advantage of democracy to foment disturbance. To ensure people's democracy, it is necessary to resolutely exercise dictatorship against all acts of opposing the people. It is also necessary to renovate the party's mass-related work and the substance and mode of operation of the Fatherland Front and other mass organizations. The party must effect its leadership over society not only through the managerial activities of the state, but also through the mass motivation, education, and persuasion activities of the front and other mass organizations.

The front and other mass organizations must not act as if they are administrative organs. They must stay close to the masses and coordinate with the administration in encouraging, educating, and persuading the people to implement the party's lines and policies and the state's laws, and take part in directing and managing the country and accelerating our society's renovation process. In this way and only in this way can they develop the potential, intellect, and energy of all social strata in the great bloc of national solidarity to struggle for the prosperity of the people and the strength of the country.

Democracy—true people's democracy—is both the objective and motive of our society's process of renovation. It is also the law governing the establishment, development, and self-improvement of our political system.

Vo Tran Chi Inspects City Housing Development

BK1009124591 Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 13 Aug 91 p 1

[Text] On the afternoon of 10 August, Comrade Vo Tran Chi, member of the party Central Committee Political Bureau and secretary of the Ho Chi Minh City party committee, paid a working visit to the Housing Business and Development Corporation of Tan Binh district, which is among the units that are implementing well the program for building houses for sales under installment plans to cadres, workers, and poor people.

Accompanying the secretary were Comrades Nguyen Van Huan, member of the city party committee's standing committee and vice chairman of the city people's committee; Nguyen Chi Phuong, the district party committee secretary; and Le Thi Van, chairwoman of the Tan Binh district people's committee.

The director of the housing business and development corporation reported on the developmental course of the corporation and its effective participation in the program of building and selling houses under installment plans which has been established by the party committee, the people's committee, and the real estate service of the city. He also presented to the city party committee secretary some problems concerning the implementation of the program for building and selling houses under installment plans, such as the needs to conserve land assets on a priority basis, to give some support funds for infrastructural installations, and to consider granting tax exemption or deduction to recipients of pension policies who buy houses under installment plans. At present, housing construction units include buyers' taxes in the closing costs of houses.

Then, Secretary Vo Tran Chi and the accompanying comrades visited the Hoang Hoa Tham housing complex, the "mini" industrial complex of Tan Binh district and the Hyodong ready-to-wear clothing factory, a joint venture between Tan Binh District and South Korea.

Pham The Duyet Addresses District Congress

BK1209135791 Hanoi Voice of Vietnam Network in Vietnamese 1000 GMT 11 Sep 91

[From the daily press review]

[Text] Discussing activities of the recent second-round 16th party organization congress of Hanoi's Gia Lam District, the paper HANOI MOI today, 11 September, carries an article by Quang Huy on some views expressed by Comrade Pham The Duyet, secretary of the Hanoi municipal party committee, stressing that firm and strong basic party organizations will help build a strong party.

The article says: Along with achievements scored by various basic party organizations in Gia Lam District, 16 basic party organizations in the district are still weak, one is incapable, and 41 others have failed to recruit new party members. Regarding cadres, although they have been trained, there has been little improvement in their capability and consciousness regarding the renovation undertaking. Negligence in management and training of party members is prevalent in localities, while control work has been carried out recklessly. It is noteworthy that the number of party members violating discipline has increased by 57 percent over the previous term of the district party organization. Moreover, prolonged indebtedness is on the increase, 4,000 tonnes of unsalable goods have piled up, more than 800 million dong in credits are due and unsettled in villages, allocation of land is carried out incorrectly, and misuse of cultivated land to build houses prevails in villages and towns.

After appraising the strong and weak points of the district, the congress adopted a concrete resolution on objectives and tasks for the 1991-95 five-year period. The resolution stressed six key tasks focusing on developing the economy; improving the people's daily life; accelerating cultural, social, security, and national defense activities; and building a comprehensively strong party.

The article further said that after hailing achievements scored by the Gia Lam District party organization and people during the past three years, Comrade Pham The Duyet urged the congress to set targets for the coming years. He said efforts should be made to formulate concrete tasks and targets that can be fulfilled, rather than set too many targets that cannot be achieved.

He said that at present 10 villages in Gia Lam District have successfully built new rural areas and the district should strive to have 20 more villages like them in the next five years. Party and administrative organs in hamlets and villages should take measures to care for and assist poor families and those subject to social welfare allowances, especially the homeless and disabled.

Since Gia Lam has earned the reputation of having a firm and strong party organization, it should strive to maintain this quality by building firm and strong basic party organizations to help build a strong party. Comrade Pham The Duyet said further that the district congress has carefully studied the Seventh CPV Congress' resolution, the product of the entire party's intellegentsia, and some of these members of the intelligentsia are attending this congress. He said a careful study of the party resolution will make us realize its importance and understand the fact that reality in the renovation undertaking requires our party to renovate and improve itself.

Party members must be authentic communists and strive to train and forge their quality and ethics in accordance with Marxism-Leninism and Ho Chi Minh thought. Weak basic party organizations must be developed and consolidated. Party members who have made mistakes must be criticized and assisted by party chapters in a frank, impartial, and constructive manner. Only by so doing will we be able to maintain unity within the party and contribute to building firm and strong party chapters and organizations.

Good Preparations for Party Congresses Urged

BK1309084791 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 10 Sep 91

[NHAN DAN 11 September editorial: "Develop Collective Wisdom To Provide Satisfactory Guidance for Second-Round Party Organization Congresses at Various Levels"]

[Text] Hai Hung, Thai Binh, Quang Binh, and Minh Hai provinces and many grass-roots party organizations have completed their second-round party congresses at various levels.

Generally speaking, efforts to become well informed of various fundamental viewpoints of the resolution of the seventh party congress have been promptly made by a number of provinces and cities, and by those party organizations under the direct jurisdiction of the central Party Committee. Prior to the holding of their second-round party congresses at various levels, some localities have reexamined their efforts to consolidate and purify their party ranks in accordance with the spirit of Directive No. 59 of the party Central Committee Secretariat. Others have also attached importance to the idea of soliciting the opinions of their leading cadres, scientific-technical cadres, mass organizations, and retired cadres, in order to satisfactorily prepare their political reports to be presented at their congresses. Personnel preparations have also been carried out in a renovative and democratic spirit compatible with the characteristics of the localities concerned.

However, the results obtained have, in general, not been even. Inspections conducted in certain localities found that there still existed numerous shortcomings and confusions in the process of preparations for these congresses. Many localities and units failed to substantiate the fundamental viewpoints of the seventh party congress as seen in various plans they presented at their congresses at respective levels. The tasks set forth for the next term of office of their local party committees are still too general, and therefore unable to clearly reflect a dynamic and creative spirit based on the characteristics, situation, strengths, and latent potential of the localities and units concerned.

It has been found that many grass-roots party organizations belonging to various enterprises, public organs, and administrative and professional units are still confused about how to prepare a plan because they have failed to clearly define the functions and tasks of their organizations. Taking care of the responsibility for guiding preparations for party congresses is usually left up to party committee standing members. Meanwhile, no attention has been paid to developing the knowledge of various branches and sectors. The solicitation of nonparty members' opinions, particularly those at the grass roots, has, in general, not been carried out satisfactorily. Many units have failed to renovate their methods of organizing discussions at their congresses, thus making it impossible to truly motivate the collective wisdom to formulate the political tasks for the next term of office of their party executive committees. In the process of personnel preparation, criticism and self-criticism have not been strictly carried out within party committee echelons and have not received close guidance from higher echelons, especially in areas where severe disunity is prevalent in the internal ranks.

Initial experience shows that we should develop our collective wisdom if we are to concentrate our efforts on providing satisfactory guidance for the second-round party organization congresses at various levels. As already pointed out by the party Central Committee Secretariat: First, we should be correctly aware of the importance of the second-round party organization congresses at various levels. Whether or not the resolution of the seventh party congress can be translated into reality and become a revolutionary action of the entire party organizations concerned and of the masses will depend on the realistic results of the second-round party organization congresses. Incidentally, this process is also the process of continued renovation and rectification of the party. This requires us to develop the wisdom of various echelons and sectors. Party committee echelons concerned should regard the providing of guidance for their second-round party organization congresses as a central task to be implemented until the end of 1991.

Among those party organization congresses to be held this time at various levels, grass-roots party organization congresses will play an exceptionally important role, for they will have to translate the resolution of the seventh party congress into reality. Party committee echelons should pay more attention to providing guidance for grass-roots party organization congresses, especially those belonging to important economic units, key areas, urban areas, and various staff organs of the party and the state, including those at the central level, where cadres are dutybound to understand and translate the guidelines of the seventh party congress into policies, laws, and major activity plans.

The most important requirement for the second-round party organization congresses is to clearly determine the political tasks of the localities and establishments concerned. Various echelons should therefore stick to the essence of the resolution of the seventh party congress, especially to a political report of the central government. In preparing plans, we should ask for the participation of the local administrations and mass organizations, and should solicit the practical opinions of a broad section of the masses. Political reports to be presented before these congresses should correctly evaluate the actual situation and foresee potential developments. With new concepts and thinking, we should set forth concrete and practical solutions. It is necessary to renovate the methods of discussions and debates at these congresses. If delegates have already had a chance to see political reports beforehand, we should not re-read them at the congresses any more.

It is necessary to ensure that the preparation for and the holding of elections for new party committees are closely guided and are carried out in a truly democratic and renovative fashion. This requires party committee echelons concerned to provide concrete guidance for personnel preparations and to pay attention to overcoming erroneous tendencies, such as conservatism, departmentalism, and localism, as they are now heavily prevalent in certain localities.

We are determined not to allow party organization congresses to take place just for form's sake. According to a recent directive of the party Central Committee Secretariat, all provincial, city, district, and precinct party organizations should make good personnel preparations before they are allowed to hold congresses.

Industrial Output for August Shows Increase

BK1109163191 Hanoi VNA in English 1534 GMT 11 Sep 91

[Text] Hanoi VNA Sept. 11—Vietnam's industrial output in August was valued at more than VND [Vietnamese dong] 1,268 billion, up by two percent compared with the previous month and 5.6 percent with the same period last year.

According to the general statistics department, the centrally-run industries netted VND 519 billion, three percent more than the previous month and 9.3 percent more than same period last year. The production of oil and gas was up by 50.8 percent, rolled steel by 2.2 times, tin and insecticides by two times, cement by 35.6 percent, cardboard by 19.4 percent, cigarettes by 7.8 percent, beer by 7.2 percent, and confectionery by 41.5 percent, compared with the corresponding period last year.

In spite of many difficulties, the light industry, thanks to the productiom of high-quality products, chalked up a 8.7 percent increase in its output value over the same period last year.

The output value of the locally-run industries was estimated at VND 648 billion, up by one percent over the previous month.

Australia

Differences With EC Narrowing on GATT Issues

BK1309063891 Hong Kong AFP in English 0627 GMT 13 Sep 91

[By Robert Holloway]

[Text] Canberra, Sept 13 (AFP)—Proposals by the European Community to reform its agricultural policies have narrowed the gap with other major food exporters in international trade negotiations, Australian Government ministers said this week.

"The Europeans now recognise the need to come to grips with issues under their Common Agricultural Policy (CAP)," Minister for Primary Industries Simon Crean said after meeting French Agriculture Minister Louis Mermaz here.

"If progress is made there," Crean said in an interview, "it will have implications for the GATT (General Agreement on Tariffs and Trade)."

Agriculture ministers of the 12 EC nations meet this month to examine proposals to cut financial aid to farmers and reduce the vast stocks which Australians say distort international trade.

The proposals, from the EC Commission in Brussels, include lowering the price of grain by about 35 percent by 1996 to the commission's predicted world price of 100 European Currency Units (82 dollars) per tonne.

The EC's representative in Australia, Ove Jorgensen, told a grain farmers' conference here Wednesday that cereal stocks in the EC stand at 20 million tonnes, nearly twice this year's forecast Australian wheat harvest.

Australian officials said support for EC farmers was one of three obstacles to progress in top-level GATT talks which broke down in December. The negotiations resume in Geneva next week but no new GATT ministerial conference has been scheduled.

Australia's Minister for Trade and Overseas Development Neal Blewett said the EC had now agreed to "explicit negotiations" on farm support and the other obstacles—trade barriers and export subsidies.

"The atmospherics are better now than they were at this time last year and undoubtedly there has been some progress in narrowing the gap," he said after talks here with Mermaz.

"It is tremendously important that those internal reforms of the CAP go through, because they will make it easier for us to engage in worthwhile Uruguay Round negotiations," Blewett said in an interview.

Mermaz, who left for Paris on Friday after completing a heavy schedule of meetings with Australian officials and grain and wool farmers, said CAP reforms were "a purely European matter" and negotiations on them "are likely to last ten months."

There is no cut-off date to the Uruguay Round, but Blewett said that "from a practical point of view" if it was not complete by March 1992, negotiations would be postponed for a year until after the U.S. presidential election.

An official in Blewett's ministry said that of the three sticking points, export subsidies were the most problematic.

The Australian Wheat Board has forecast that the 1991-92 harvest will be 10.6 million tonnes, its lowest for a decade, as farmers responded to the EC/U.S. trade war by planting less.

Australia and its 13 partners in the Cairns Group of food exporters want a commitment that at least the range of subsidies will not be extended to other commodities.

On market access, the official said, "it is the Japanese who are the real stand-outs."

The Cairns Group wants trade barriers of all kinds, including quotas and embargoes, changed into tariffs.

"This would not of itself reduce protectionism," the official said. "The great benefit is transparency: everyone would apply the same barriers and could be compared." He described as "exaggerated" Japan's fear that its rice industry would be jeopardised if it permitted rice imports.

"We are talking about very high tariffs to start with, followed by predictable reductions," he said.

While Jorgensen said the EC favours tariff simplicity, the official said Australia would reject the "corrective factors" advocated by some EC countries to protect farmers from sudden drops in world prices.

"We would see that as introducing a permanent exception," he said.

On the CAP, the official acknowledged "there is no way the EC is going to end support for agriculture," which directly employs about 10 million people, compared to 400,000 in Australia.

The Cairns Group wants the EC to "decouple" price support measures from the volumes produced—in other words to stop paying farmers to grow excess food.

"The buzzword is decoupling," the official said, citing as a theoretical example a scheme to pay farmers money to protect the environment. "We are working on criteria to decide what is decoupled," he said.

If the CAP reforms proposed by EC Agriculture Commissioner Ray MacSharry are adopted, farmers will be paid to "set aside" land from production.

"This is very similar to the U.S. system, so for the first time you will see the two major producers with the same regime, and we can then start talking about reducing support," the official said.